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ABSTRACT

A quantitative and qualitative study examined three leadership strategies found in performance-based management (human resource, scientific management and political strategies used in public sector management); a framework by which performance measurement (PM) supports leadership strategies; and how the strategies impact PM. It examined leadership strategies of American city officials and how they support and impact PM. A national survey of 545 cities with populations over 50,000 was conducted. Demographic findings indicated 91 percent of commentators were familiar or very familiar with PM in their cities; 73 percent said the City Manager's Office was the driving force in PM; 90 percent felt the City Manager's Office supported use of PM; 55 percent believed their staff was capable of analyzing performance data; 73 percent of cities used PM was to monitor administration's performance for efficiency and effectiveness; 91 percent felt use of PM was not mandated or associated with a law; and 62 percent used outcome measures to examine results/impacts of organizational efforts and activities. Use of PM was recommended because it is a management tool that shares information, enhances decision making, and promotes policy ownership by all individuals within an organization; PM enables two-way communication, a shared vision of an organization's mission and goals, and establishment of a plan of action and accountability for meeting these goals. (Appendixes include 45 references, study results, and instruments.) (YLB)

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LEADERSHIP STRATEGIES OF PERFORMANCE MEASURES IMPACTS IN PUBLIC SECTOR MANAGEMENT: A NATIONAL CONTENT ANALYSIS

by

James Joseph Kubala

U.S. DEPARTMENT OF EDUCATION
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Abstract

This quantitative and qualitative study will examine three leadership strategies that are found in performance-based management; human resource, scientific management, and political strategies used in public sector management, a framework by which performance measures support these leadership strategies, and how these leadership strategies impact performance measures. This study examines leadership strategies of U.S. cities officials and discusses how these strategies may lead to performance measurement impact. Based on a national study of 545 U.S. cities with populations over 50,000, the author addresses the following questions: What leadership strategies are more likely to have a significant performance measure impacts? What leadership strategy best supports performance measures impact? The success of performance measures is greatly affected by the cities' underlying leadership strategy and the support of the organizations structure.

LEADERSHIP STRATEGIES OF PERFORMANCE MEASURES IMPACTS IN PUBLIC SECTOR MANAGEMENT: A NATIONAL CONTENT ANALYSIS

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Dedication

This publication is dedicated to my wife Suzanne Kubala and my two sons, Ryan Joseph and Jereme James.

Acknowledgements

A study of this type is dependent upon the assistance of many people. Special acknowledgment is extended to Dr. Susan Saxton for her support, guidance, and encouragement throughout the completion of this document. I also extend sincere thanks to my other committee members, Dr. James Schiro, Dr. Carolyn Hock, Dr. XiaoHu Wang, and Brian Heffner whose guidance have contributed to my personal, professional, and academic growth.

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CHAPTER 1 INTRODUCTION OF STUDY

In a growing numbers, service providers, governments, and the public are calling for clearer evidence that resources they expend are actually being used to benefit their constituents. They want accountability for the resources used. One clear way for establishing such accountability is through the use of performance measures. Although the desire to improve accountability has been a major force behind the move to measure or better measure performance exist a priority and/or key responsibility for organizations to help government programs improve service. Outcome measurement provides a learning loop that feeds information back into programs on how well they are doing.

There are several reasons to study performance measurement at the city level. First, performance measurement is a means of providing financial accountability to city residents, who are often more informed about municipality than city affairs. In addition, performance measures provide accountability to higher governments: counties receive far more funding from states and the federal government than do cities (U.S. Census, 1997). Second, cities have historically been referred to as the "dark continent of American politics" and, therefore, have been understudied in public administration (Svara, 1993). Since the 1980s, many cities have increased their abilities, leadership roles, and functions, yet very little is known about cities in these regards.

Third, counties rely to a far greater extent than cities on commission forms of government; therefore, performance measures are useful for studying the impact of county structures and the roles of elected officials on securing necessary support for management reform (Cigler, 1995). A commission form of government refers to cities organizational structure headed by the Mayor and City Council. Financial support for performance measures from

elected officials is often important in innovation, and it is especially crucial to performance measurement because it is, in part, undertaken to provide elected officials with improved information (Berman & Wang, 2000). Therefore, this study will examine performance measurement and how organizations can adapt and improve service effectiveness through the measurement of resource allocation.

Significance of the Study

A measurement system is needed to evaluate the consequence of government goals. However, as financial indicators are not designated to measure government goals, performance measures are advocated to use for the evaluation. Performance measurement is frequently referred to as "consequences" strategy, meaning a way of measuring after something is done.

In the private sector, the principal measure of successful performance is profit. Public agencies have no such universal and widely accepted performance measure of success. In the public sector performance is judged by the goals of the public programs and whether the desired results and outcomes have been achieved. Success is often viewed from the distinct perspective of various stakeholders, such as legislatures, regulators, other governmental bodies, vendors, suppliers, customers, and the general public. Therefore, it is extremely important that the measures of performance used by the public organization be created with vast input and consultation from the constituents. While stockholders may ultimately manage a publicly owned corporation, the taxpayers "own" a public entity.

This quantitative and qualitative study is intended to define the impact of various leadership strategies on performance measures, and may have implications on how public leaders are viewed by taxpayers, how tax dollars are appropriated for goods and services, and how to

best minimize the public cynicism of elected officials being accountable for spending constituent tax dollars. This study will link public sector leadership strategies and performance measures in exploring issues of accountability and defining achievable outcomes.

Statement of the Problem

This quantitative and qualitative study will define three leadership strategies; human resource, scientific management, and political strategies used in public sector management, a framework by which performance measures support these leadership strategies, and how these leadership strategies impact performance measures. This study examines leadership strategies of U.S. cities officials and how these strategies support and impact performance measures. Based on a national survey of 545 U.S. cities with populations over 50,000, the author addresses the following questions. What leadership strategies are more likely to have a significant performance measure impacts? What leadership strategy best supports performance measures impact? The success of performance measures is greatly affected by the cities' underlying leadership strategy and support of the organizations structure.

The leadership strategies explored in this study are based on Bolman and Deal's (1997) three organizational structure frames. Bolman and Deal use the term frame as a metaphor to explain how organizational models can be viewed as organizational tools and images that allow use to sort or differentiate traits of their organizational models. They clearly direct their research on the human resource, scientific, and political frames of organizational structure. While each individual frame is clearly identified by Bolman and Deal, all frames are interconnected and interrelated. According to Bolman and Deal, each frame claims a scientific foundation, but each presents a singular theology.

Theoretical Framework

The theoretical framework for this study is based is based on two factors: (a) the understanding of what performance measures are and how they have been integrated into public sector management reform and, (b) how different leadership strategies in public sector management are influenced by the support and use of performance measures?

First, in past decades, managers have learned a great deal about implementing management reforms. Slowly, attention has shifted from the specifics of new management innovation strategies with an emphasis on defining performance management and defining the timeline for the next step. Today, however, more study is needed to better understand the conditions for implementing change and determining whether such conditions will encourage success. Research needs to address questions such as: Do we have the conditions that are required for success? To manage them do we know what these conditions are? And to understand how leadership strategies impact performance measures?

In many ways, understanding the importance of leading, managing support, communication, and technical ability comes from lessons, trial and error, or learned the hard way (Gianakis & Stone, 1997). Budget reforms such as the Planning Programming-Budgeting System and Zero-Based Budgeting in the 1960s and 1970s brought such worthy concepts as goals into the budget lexicon; but were criticized as technically over-reaching due to inadequate data collection capabilities and were inadequately supported by political officials, who viewed these reforms as a threat to their power (Gianakis & Stone, 1997). Although "second generation" evaluation in the 1970s and performance measurement in the early 1980s focused on short-term analysis and generated easy-to-understand data for decision makers, these efforts were not

always part of an ongoing decision-making 'processes among stakeholders (Wholey & Hatry, 1992). They needed to be institutionalized as part of budget or strategic-planning processes.

There is widespread agreement that management reforms require support from top management. Support from elected officials is critical because it forecloses back channels, legitimates reforms and new performance expectations, and helps ensure funding for new efforts. In this regard, some states, such as Minnesota, mandate the use of performance measurement by cities, often as part of county budgeting and strategic planning (Center for Accountability and Performance, 1998). The lack of support, especially from legislatures, is a commonly cited reason for the budget-reform failure (Mikesell, 1995 & Rubin, 1997). Elected officials are reluctant to give support when they view it as a ploy by bureaucrats to "technicalize" their operations and thereby avoid legislative scrutiny (Kettl, 1994). Some authors believe that a major difference between previous managerial reforms and recent performance measurement efforts is that the latter has support from legislatures (Melkers & Willoughby, 1998). Cities require support from lower managers, because it is well known that lower managers can sabotage reform through foot-dragging and end-runs involving citizen advocates and elected officials (Romzek, 1998). Support from advisory boards increases support for management reforms, because it increases the legitimacy of the actions of elected and appointed officials (Wang & Berman, 2000).

It is often hypothesized that management reforms are championed by public managers who increase their contribution and visibility in the organization, and are therefore associated with reformed, council-administrator forms of government. Paradoxically, unless elected officials are given control over important performance measurement decisions such as deciding

which measures should be used, management reform may suffer inadequate legitimacy from these stakeholders. It may be perceived as an effort to sidestep traditional methods of accountability. By contrast, commission forms of government involve elected officials to a far greater extent in department operations; therefore, officials are more likely to be involved in decisions about performance measurement, but they may lack the ability to implement performance measurement. Thus, the net effect of the form of government on the use of performance measurement is ambiguous: a greater desire for performance measurement but inadequate political capacity in council-administrator cities, versus greater political capacity but inadequate technical capacity in commission forms of government (Wang & Berman, 2000).

Therefore, this study will explore two models that will visually express the interrelationship leadership strategies have with the use of performance measures and how performance measures supports and impacts different leadership strategies.

Research Hypotheses

Hypothesis 1: Organizations with a strong human resource leadership strategy are more likely to have a significant performance measure impact.

Hypothesis 2: Organizations with a strong scientific management leadership strategy are more likely to have a significant performance measure impact.

Hypothesis 3: Organizations with a strong political leadership strategy are more likely to have a significant performance measure impact.

Definition of Terms

Benchmarks--are performance data that are used for comparative purposes. A program can use its own data as a baseline benchmark against which to compare future performance.

Capacity—refers to the agencies' ability to develop performance goals and measures and to overcome such conceptual barriers as distinguishing outcomes from output.

Impacts—refer to either positive or negative degrees to which broad social objectives are achieved. Examples are increased competitiveness enhanced level of education, income of graduates, and improved quality of educational institutions.

Inputs--are resources a program uses to achieve program objectives. Examples are staff, volunteers, facilities, equipment, curricula, and money. A program uses inputs to support activities.

Outcome--measures the quality of long-term output. They are benefits or changes for individuals or populations during or after participating in program activities. They are influenced by a program's outputs. Outcomes may relate to behavior, skills, knowledge, attitudes, values, condition, or other attributes. They are what participants know, think, or can do; or how they behave; or what their condition is, that is different following the program.

Output--refers to quantitative measure of an agencies short-term activities, efforts, and workloads. They are direct products of program activities and usually are measured in terms of the volume of work accomplished-for example, the numbers of classes taught, counseling sessions conducted, educational materials distributed, and participants served.

Performance measurement--is defined as the use of quantitative performance indicators to report, monitor, and evaluate an organization's activities, efforts, and impacts. Performance measurement is often used to assess the achievement of an organization's stated goals and objectives.

Limitations of the Study

Assessing cities' leadership strategies on performance measure impact is a useful diagnostic strategy to identify areas of organizational structure and functionality. However, this study may have identifiable limitations such as: the complexity of performance measures as a management tool and the respondents capacity to identify these impacts; the familiarity of the respondent that completed the survey instrument with the various agencies within the organization and their use of performance measures; and a low response rate of the study based on the length of the survey instrument and the instrument asking for written comments regarding performance measures. The comment section of the instrument requires the respondent to formulate examples of their agencies usage of performance measurement and may cause this section of the instrument to be incomplete. This incomplete section will invalidate the rest of the instrument and the instrument will be disregarded. This study solicits comments in an open-ended way. The survey instrument is significantly lengthier than most survey instruments consisting of eight open-ended questions and a total page length of ten pages.

The comment section of this instrument is the key component of the content analysis of this study. It was designed to allow the respondent to give examples of how they use performance measures within their city. This comment section is also a way of validating to see if the respondent is consistent with their responses throughout the instrument. The receipt of an

incomplete instrument will prompt further questioning of the subject and to try to get the respondent to complete the instrument. Performance measurement is a complex subject matter, however, the respondents are only those that have a significant working knowledge of performance measurement and those that do not have this knowledge will not be responding to the survey.

Several calls were made to each respondent of the incomplete instrument to arrange an interview time where by the researcher would verbally ask the respondent to answer the comment section of the instrument. The respondents for the most part were reluctant to give examples feeling that the questions were asking for proprietary information. Even after assuring the respondents that only aggregate data would be presented and that there anonymity would be respected, still they were reluctant.

Another limitation is that there is little empirical evidence available on the impact of performance measure in public sector management. Hence, there is no baseline by which to draw conclusions from. Therefore, this study may act as the baseline for future research. This studies intention is to contribute to the body of knowledge in both leadership strategies and the proficient use of performance measures in public sector organizations.

CHAPTER 2 LITERATURE REVIEW

The literature review is divided into three sections: Section one addresses the definition of performance measures, uses of performance measures, six characteristics of effective performance measurement, and current research studies on performance measurement; Section two discusses the reporting, management, and budgetary practices of performance measure impacts; Section three introduces a leadership strategic model to support performance measures in public organizations, explains the rationale for each of the three leadership strategies, according to Bolman and Deal, and how performance measurement supports different leadership strategies. With multiple publications on leadership strategies and theories and vast usage of their textbooks in the academic environment, especially in the Pubic Administration programs, Bolman and Deal are noted authors. There appears to be a growing body of literature on various aspects of performance measure, such as, accountability, capacity, and deployment. However, little empirical evidence is available on the impact of performance measure in public sector management.

What are Performance Measures?

According to Fischer (1994), to define performance measurement (PM) you must first address the following questions: Where do we stand in relation to others' delivering a particular program or service? Who is doing something out there better than we are? What are they doing that we are not, and how can we change to mirror their performance. Getting quantitative answers to these questions is the essence of PM. They will determine how effectively and efficiently at he lowest cost ones jurisdiction is delivering the public service of interest. Here the

performance measurement process yields information so that decision-makers can tell how effectively a program or service has used its allocated resources.

PM is defined as the use of non-financial quantitative indicators to evaluate organizational activities, efforts, and achievements. Organizations use financial measures to evaluate their financial conditions. These financial measures are considered critical in business organizations. In the balance scorecard theory and practice, non-financial measures or performance measures also play a role as they evaluate different but critical aspects of management and operations and are highly associated with financial performance of an organization. A balanced scorecard is a management system, not only a measurement system that enables organizations to clarify their vision and strategy and translate them into action. They provide feedback around the internal business processes and external outcomes in order to continuously improve strategic performance and results. As obvious importance of financial performance in the private sector, the impacts of performance measures is justified by its relevance to overall financial performance of an organization (Mavrinac, Jones, & Vitale, 2000).

According to Wray and Hauer (1996) PM has a broad range of definitions. PM is a process of assessing progress toward achieving predetermined goals, including information on the efficiency with which resources are transformed into goods and services output, the quality of those outputs how well they are delivered to clients and the extent to which clients are satisfied an outcomes the results of a program activity compared to its intended purpose, and the effectiveness of government operations it terms of their specific contribution to program objectives (Wray & Hauer, 1996).

The use of PM information is to help set agreed-upon performance goals, allocate and prioritize resources, inform managers to either confirm or change current policy or program directions to meet those goals, and report on the success in meeting those goals. Performance measure has both quantitative and qualitative characteristics (Wary & Hauer, 1996).

At first glance the two definitions appear to be contradictory of each other. Mavrinac, Jones, and Vitale (2000) focus on the importance of only financial measures/indicators to assess the organizations attainment of goals. Their definition would focus on how much a course in drug and alcohol abuse treatment would cost. Wray and Hauer (1996) have a more liberal or a more broad range view of measuring organizations goals. Their definition would be aware of the cost and outcome, and how those programs actually achieved their results.

It is not the intention of this study to determine the better of the definitions, rather to express different ways of getting too the same conclusion. The implementation of PM requires a major commitment on the part of an organization. Therefore, there are various rationales for why an organization would use performance measures. For the purpose of this study performance measures will be defined as the use of quantitative performance indicators to report, monitor, and evaluate an organization's activities, efforts, and impacts. PM is often used to assess the achievement of an organization's stated goals and objectives. The following section examines the importance of PM and why PM is a viable management tool.

Uses of Performance Measures

This section will highlight predominate rationales for using PM. The rationales include, financial gains, six characteristics of effective PM, and various research studies that support various uses of PM.

Financial Gains

In public organizations, where goals are not designated for ultimate financial gains, financial measures are used, but not emphasized in measuring and organization's overall performance. Therefore, financial gains are not expected impacts of PM. Then, what are the expected impacts of PM in the public sector? The New Public Management (NPM) approach is rooted in quality management and advocated by several national governments provides a framework to answer this question. The assumption of this approach is that the lack of a competitive market for governmental products and services results in poor quality products and service, and inefficient operations and management. The solutions include injection of competition in the public sector service delivers, decentralization of decision-making structure, and eliminating unnecessary procedures in service delivery (Wang, 2000).

In the private sector, the principal measure of successful performance is profit. Public agencies, on the other hand, have no such universal and widely accepted PM of success. For public sector organization, performance must be judged against the goals of their programs and whether the desired results and odtcomes have been achieved. Success is often viewed from the distinct perspective of various stakeholders, such as legislatures, regulators, other governmental bodies, vendors, suppliers, customers, and the general public. Therefore, it is extremely important that the measures of performance used by the public organization be created with as much input and consultation from the constituents. While its stockholders may ultimately hold a publicly owned corporation, the taxpayers own a public entity (Friedman, 1997).

Six Characteristics of Effective Performance Measurement.

According to Friedman (1997) there are six characteristics of an effective PM system. The foremost requirement for a PM system is credibility. Policy makers and citizens must have confidence that the information produced is accurate and relevant. PM must be credible representations of the quantity and quality of the services provided by an agency or program.

Credibility is partly a matter of the objective accuracy of data, and partly a matter of the beholder of those data. PM systems must stand the test of capturing what is most important about a program's performance, both for those managing the program and those judging its performance. PM that reflects only inputs or the quantity of goods and services provided by an agency will usually fall short on this criterion (Friedman, 1997).

Performance systems should to the greatest extent possible provide fair and equity gauges of agency and program performance. This means that measures should generally reflect factors and products that agency and program managers can influence or control. While no manager controls all the factors that affect program performance, it is legitimate for measurement systems to concentrate on bottom-line quality measures, and stretch people to think of ways in which they can partner with others to leverage resources that they do not control, in order to improve performance (Friedman, 1997).

PM should be clear and easy to understand and use. If performance measures are too complicated, they will be of little use in helping decision-makers and citizens understand program performance or pointing out where improvements are needed (Friedman, 1997).

PM system should be practical to administer and implement. The way in which data are collected is a major factor in practicality. A good PM system requires a significant and sustained

investment in data collection. Since data collection is expensive both in terms of dollars and agency-worker time, agencies must carefully weigh the value of PM, the investment in collection, and alternate ways to collect this data. Another dimension of practicality involves the development, operation, and linkage of data systems. Different agencies often collect information on the same people. While it is difficult to do, it makes sense for agencies to coordinate and, where possible, share data-collection strategies and instruments. Presentation of performance data at the county, city, and community levels also makes the information more useful. School system data on educational performance, for example, may be relevant to county or school system policy makers, but data on educational performance by school will more directly help principals and parents attempting to increase student learning. Data collection and analysis should support efforts to improve performance at all levels of the system (Friedman, 1997).

As public goals and policies change PM systems must adapt to reflect these changes. When programs change, data requirements often change as well, and performance systems need to keep pace with these changes. The most important "adaptability" challenge may be the progressive development of less categorical cross-agency service systems. Performance systems must develop in parallel with service-system development, so that we have and maintain the tools to manage and account for our performance (Friedman, 1997).

Accountability is possibly the most popular component of evaluating the impact of PM. Accountability systems, whether a result of performance measure are not an end in themselves, but a means to the ends of improved conditions of public management and distribution of services. The technology of PM will always be developmental and controversial.

Accountability provides information and consequences for the success and failure of programs. Without accountability, cynicism regarding governmental spending and accountability of tax dollars would increase. PM, as part of the result-based accountability process, can help build public confidence in government and community institutions, and more importantly, help create improved effective and efficient government services and programs.

Finally, PM must be connected to and integrated with other aspects of public planning, budgeting, and management systems. PM is designed to provide feedback about the effectiveness of agencies, programs and policies. In order for that feedback to make a difference, it must be integrated into management systems, budgeting systems, and accountability systems (Friedman, 1997).

Research Studies on Performance Measures

According to the Poister and Streib (1999) study on the extend that PM has become integrated into contemporary local government management reported that 15 %of cities use PM in selected departments or program areas and 23% reported that they have centralized, city-wide PM systems that incorporate most departments and programs. Streibs' research presented significant findings regarding the capacity in which cities use performance measurement. "Performance measures are more prevalent in larger jurisdictions, reportedly used by only 30% of those cities with populations below 50,000 as compared with over half of those cities with populations of 100,000 to 249,000 and over 75% of those cities with 250,000 population or more" (p, 331).

At first glance there appears to be a significant increase in the percent of performance measure use in the Poister and Streib (1999) study and the Berman & Wang (2000) study. The

Berman & Wang (2000) study on the capacity for reform and use of PM by U.S. Cities reports that counties with populations under 50,000 use PM in 69.9% of their functions, as compared with 84.2% of functions in counties with populations greater than 50,000. There is no difference in the breadth or depth of performance-measurement use among functions that are "typical" county functions versus those that are more municipal in nature, nor are there differences by region or form of government. The differentiation between these studies may be contributed to who completed the survey instrument (city or county officials) or the studied population size Poister and Streib over 25,000 and Berman & Wang over 50,000.

In a recent survey of cities with populations over 25,000, Poister and Streib (1999) find that 38% use some form of PM, compared with 34% found in the Berman &Wang survey. As in this study, larger jurisdictions are more likely to use PM. Among cities that use PM, 62.2% use workload or output measures, as measured across 13 typical municipal functions. The relative findings for the use of effectiveness measures are 45.8% cities and 45.9 % counties, and 39.4% cities and 36.0% counties for quality measures. Thus, cities and counties are quite similar in their breadth and depth of PM (Berman & Wang, 2000).

According to Berman &Wang (2000) "PM, technical or infrastructure capacity refers to counties' ability to develop performance goals and measures and to overcome such conceptual barriers as distinguishing outcomes from outputs" (p. 502). A 1997 General Accounting Office study reported difficulty in relating long-term goals to annual performance objectives; others have also noted that the relationship between performance goals and service efforts and activities is sometimes unclear and that it changes over time (Hakes, 1996). In this regard, many authors urge jurisdictions to develop measures that are practical, as well as valid, reliable, and easy to

understand (Ammons, 1995). Often, these measures are based on operations, and data are more readily collected where information technology is widely used (Stokes & Monaco, 1997). Outcome measures often require citizen and client surveys, but many jurisdictions do not have the capacity to gather these data in scientifically valid ways: contracting for such information may be costly and untimely. Leithe (1997) also notes the frequent absence of cost-accounting systems, which are necessary for identifying unit costs. The literature discussing specific technical competencies for PM is surprisingly limited, although this aspect is mentioned in older literature (Pressman & Wildsavsky, 1973).

Performance measures research has shown substantial impact in various studied areas. According to Poister and Streib (1999) almost 80% of respondents indicated that performance measures improve decision-making; more than 60% reported moderate or substantial changes in budget allocations; greater than 70% have reported moderate to substantial improvements in service quality; more than 71% improvement in accountability of managers; and 46% indicated a reduction in city operational costs do to the use of performance measures.

An additional publication by Wang (2000) examines how the use of performance measures is used in budgeting areas of county government. This study is significant to the current research study for two reasons. First, this study examines the use of PM in public budgeting. This study looks to answer the following questions: To what extent do governments use PM in their budgeting process? What are the obstacles perceived by governments to the use of PM in their budgeting? What are the possible political and technical factors that influence the use of PM in budgeting? What is the impact of PM? The premise of this study clearly identified conditions necessary to sustain the momentum of PM as a budgeting reform. These answers to

these questions clearly substantiate PM as another management tool for quantifying decisions and organizational goals.

According to the General Accounting Office (1999) governments use performance measures to assess an organization's goal achievement. Thus, performance measures depend on developing clear and consistent organizational goals. Wang's (2000) findings show that most PM users can identify organizational goals 88.7% and use PM to specify these goals 65.3%. However, fewer governments 49% can use performance measures to assess conflicting goals that often pose a dilemma for public organizations.

Additional findings from Wang (2000) indicate that many counties use PM for budgetary communication purposes; fewer use PM to make resource allocation decisions—an objective of performance budgeting advocated by scholar and practitioners. For example, "66.8% of counties use PM to help county commissions review the budgets, while 53.3% determine funding priorities with PM" (p. 105).

Comments from respondents in this study indicate that public budgeting is a political function and that letting performance measures affect budget allocations would be a threat to organizational structure and power. These findings indicate that some governments are facing political resistance to the use of PM in making resource allocation decisions (Wang, 2000).

Wang (2000) study begins to examine impacts of PM in public sector organizations. One impact tested in this study was how political influence management impacts PM through resource allocation, decision-making, establishing implementing, and evaluating organizational goals. The use of performance measures in budgeting means changes in governments' operations, personnel, structure, and even cultures. These changes always lead to a power

struggle and power transfer and, thus resistance from those who are negatively affected (Wang, 2000). Carroll (1995) argues that the use of performance measures is an essential part of executive initiatives that are designed to shift power from the legislature to the executive branch. According to Jones and McCaffery (1997) legislators may resist performance due to the fear of loosing power. The loose of power or the need to support the implementation of initiatives directly impact resource allocations and decision-making toward political stakeholders.

This study concludes with conclusionary projections that have a proactive impression on continued use of PM in public sector organization. First, a positive perception about the impact is likely to increase the chance that public officials will use performance measures in their management and budgeting practices. Second, PM may assist government to determine agencies efficiency, which is defined as a service production for a given level of resource allocation. Third, government needs to develop technical capacities for performance measures in budgeting. Forth, a strong and consistent political support from government stakeholders is critical for performance measures in budgeting. This should include both legislative and citizen understanding and involvement of PM data and sequentially resource allocation and decision-making. Finally, PM helps government specify organizational goals, monitor management practices, and in some cases, make budget allocation decisions.

The previously mentioned uses of PM are widely published, however, the impact of performance measures is not. Aitken (1997) article examines how PM is used as a management tool to develop and implement policy through risk management. She contends that integrating appropriate PM into the whole of organizations activities and directly organizational behaviors through focusing on individual efforts will ensure desired outcomes. The premise of her paper is

that performance measures are a management tool that is best used in risk management. Risk management in the context of central government, therefore, could be treated as an effective risk management devise.

Risk according to Aitken (1997) is "the exposure to the possibility of such things as economic or financial loss or gain, physical damage, injury or delay, as a consequence of pursuing a particular course of action... , the chance of something happening that will have an impact upon objectives. It is measured in terms of consequences and likelihood" (p. 2). This definition could be the definition for the uses of PM. Therefore, risk management would be the systematic method of identifying, assessing, treating, monitoring, and communicating risks associated with organizational activities, functions, or process in an organization to minimize losses and maximize opportunities. These methods and activities represent support of PM impacts and given a style of leadership may fit into the presented PM impact model in Table 1.

Reporting, Management, and Budgeting Practices

This section will highlight a PM impact model, introduce three leadership strategies that have an association between performance measures and leadership, the rational for using the proposed leadership strategies, and how PM supports organization's overall performance. The following table illustrates an impact model that includes use of PM and its short-term and long-term impacts.

Table 1: The Performance Measurement Impact Model

Use of performance Measurement	Desired immediate impacts on administrations	Desired long-term impacts on administrations
Reporting	Enhanced communication with legislators and the public	Accountability and public trust
Management	Enhanced monitoring in strategic planning and daily operations	Management and service efficiency, effectiveness, and service quality
Budgeting	Enhanced resource allocation and other decision-making	Management and service efficiency, effectiveness and service quality

More specifically, performance measures impacts are classified into three dimensions: (a) Enhanced communication concerns, the improvement of elected officials and the public understanding about administrative performance. It is expected that performance information can generate public interest in government performance and increase public and elected officials' use of performance information. Elected officials and the public become more interested in reading performance reports or budgets that include performance information; (b) Enhanced performance monitoring concerns the impacts of PM through specifying management goals, expectations, strategies, and personal responsibility, through identifying management problems and solutions, and through facilitating interdepartmental coordination and across-departmental team working; (c) Enhanced resource allocation refers to the legislative use of performance indicators to analyze an agency's activities/efforts and to justify an agency's budgetary requests. Legislators can use performance indicators to establish budgetary expectations for administrators and use them to evaluate an agency's budget requests. Legislators can make funding decisions on the basis of an agency's performance. Also, agencies can use performance information to

make decisions concerning realigning organizational structures or re-staffing to improve efficiency.

Performance measures enhance communication through the accountability, allocation of resources, and decision-making processes. Performance measure can also contribute to both legislative and public communication of organizational goals. Several impacts of PM are clearly expected in the New Public Management (NPM) model. One concerns the improvement of communication. Compared with financial measures, performance measures deliver different information. Crime rate tells a different story about the performance of a local police department from an expenditure measure. PM provides information that substantiates management's conversation with elected officials and the public. Elected officials and the public gain insights on administrative performance. There is evidence that the public is not interested in finance-driven information system. It is expected that performance information can generate public interest in government performance and increase public and elected officials' use of performance information. Elected officials and the public become more interested in reading performance reports or budgets that include performance information (Wang, 2000).

Performance measures can be used to enhance performance monitoring of organizational goals, expectations, strategies, and personal responsibility specifications. In many governments, PM is a necessary element of a strategic planning process, in which performance measures are used to specify and clarify organizational goals and objectives. It is used to quantify performance expectations. Managers and employees use it to identify proper strategies and action plans to achieve management or service goals. One direct impact of such use of PM is

public managers' and employers' understanding of organizational goals and their personnel responsibilities that are associated with these goals.

Performance measures are used to monitor management practices and service delivery operations. In the monitoring process, performance information is collected to compared with previous performances or inter-jurisdictional benchmarks. The results of the comparisons are used to demonstrate successes, or more importantly, to highlight the areas for improvement. When a problem area is identified, performance analysis needs to be adopted to determine the appropriate program, process, or resource changes needed to realize improvement. Performance monitoring is a continuous process that needs consistent attention to performance information from management.

Performance measures are utilized in the facilitation of interdepartmental coordination and across-departmental team working. In a strategic planning process, performance measures are needed for evaluating achievement of strategic goals, effectiveness of different strategic strategies and implementation of these strategies. PM can enhance an organization's strategic planning process by quantifying and specifying organization-wide goals for traditionally separated services, and by developing organization-wide strategies and action plans that integrate the efforts of all functional departments. To do so, an organization needs to develop across-departmental and community-wide measures such as citizen satisfaction measures, which provide purposes and guidance for individual departments to work together. In this sense, use of PM is expected to improve interdepartmental coordination and across-departmental teamwork.

For legislature, performance indicators provide a tool to analyze an agency's activities and efforts and to justify an agency's budgetary requests. Legislators can use performance

indicators to establish budgetary expectations for administrators and use them to evaluate an agency's budget requests. Legislators can make funding decisions on the basis of an agency's performance.

Performance measures can be used in the changes in staffing and organizational structures. For managers, performance indicators can be used to compare with benchmarks to identify areas for cost reduction or service improvement. Decisions to restructure organizations or to re-staff are often made as a result of performance analysis. In such cases, managers can request modifications of budget or new budgetary requests. Re-staffing concerns permanent changes of current employee assignments and responsibilities. Re-structuring concerns establishment, elimination, or realignment of a work function, program, or unit. It also indicates changes of decision-making process that can be made more centralized or decentralized. These changes could result from a long-term performance trend. Re-allocation of resources refers to the change of financial resource use in the budget appropriation. In restructuring decision-making or service delivery systems, an organization reconfigures the elements in its decision-making process such as delegating or centralizing of decision-making authority. An organization may transform the ways of coordination, or re-organize the ways of service deliveries.

While performance measures have been a part of public administration for several decades, there are few empirical studies on performance measures in municipal government. In recent years there are a few notable publications (Poister & Streib, 1999; Friedman, 1997; & Berman & Wang, 1999, 2000) on how performance measures has been an essential management tool in result–oriented management.

Poister and Streib (1999) utilized a survey of all U.S. cities with populations greater than 25,000 to measure the workload and worker efficiency in public management. Their approach to this study was based on a scientific approach to management. They contend that the field of public administration has led to a renewed, or reinvigorated, interest in PM. The reason for measuring PM in this study was to address issues such as taxpayer revolts, pressures for privatization of public service, legislature initiatives aimed at controlling fiscal spending, and agency accountability (Poister & Streib, 1999).

Friedman's (1997) project contains a crucial distinction between two types of accountability: accountability for results and accountability for performance. Results accountability deals with conditions of well being of constitutions that utilize/cut across multiple agencies and programs. Performance accountability is a part of results accountability by measuring how well agencies and programs perform. Friedman theory is based on a four-quadrant model. The model use performance measures to measure input and output by quantity and quality of service. The main idea of this matrix is to focus on the quality of output measures and not on quantity.

Berman and Wang (1999) manuscript examines seven hypotheses about the prevalence of PM in county government. This study defines "deployment" as the prevalence of performance measures in county service functions. This manuscript does provide information about the intended purpose of performance measurement. According to Berman and Wang (2000) PM is viewed as an administrative response to citizens' demand for accountability and service quality and support from elected officials. Elected officials are regarded as partners who help identify the information that is needed and the ways in which it is disseminated.

A few of the Berman and Wang studied hypotheses support the proposed impact model include: (a) external support from elected officials and citizens furthers the deployment of PM, (b) a positive association exists between central management involvement and the deployment of PM, (c) decentralized management systems increase the deployment of PM, (d) professional competencies are positively associated with the deployment of PM, and (e) the availability increases the deployment of PM (Berman & Wang, 2000).

The Berman and Wang (2000) study examines the capacities that must be present for different levels of implementation and success of PM and the effect of county structure and functions on the use of PM. In the case of PM, technical or infrastructure capacity refers to counties' ability to develop performance goals and measures and to overcome such conceptual barriers as distinguishing outcomes from outputs. The counties structure and function of performance measure is directly related to the capacity in which it is used.

Capacity requires that jurisdictions are able (1) to relate outputs to operations; (2) to collect timely data; (3) to have staff capable of analyzing performance data; (4) to have adequate information technology; (5) to have support from department heads and (6) elected officials. Support from elected officials is less forthcoming in council-administrator counties, as these officials participate less often in the development of performance measures. The results show that the absence of these conditions does not forestall initial application, but that they threaten widespread use. This research also finds that widespread use of PM increases satisfaction with its impacts (Berman & Wang, 2000).

Poister and Strieb's findings clearly reflect and support the proposed impact model, focusing mainly on the cities reporting use of performance measures, decision-making process,

and allocation of resources. Friedman's research findings promote the idea of continuous improvement of accountability systems and result-based performance by assessing agency targeted goals through the use of performance measures. Friedman's theory and utilization of performance measures of agency and program quality of service, strategic management and planning tools, responsiveness of reporting and budget allocation clearly supports the proposed impact model. The Berman and Wang (1999) study also emphasizes the importance of technical and managerial capabilities for implementing public programs and managerial reform. These technical and managerial capabilities support the proposed impact model addressed in this question. The Berman and Wang (2000) study on the capacity in which performance measures is utilized directly relates to organizations ability of report, management, and allocate resources budgeting to the proposed impact model.

All of the previously mentioned studies are directly related to Vice President Gore's (1993) National Performance Review (NPR) efforts for governmental accountability. Gore's intention of the NPR was to define, measure, provide cost-effective performances of public agency services, and strengthen the management capacity of different agencies. Although PM is often viewed as an effort to make government more entrepreneurial and business-like, its implementation in a context of bureaucratic politics that involves elected officials.

After reviewing the current PM literature on organizational reporting, management, budgeting, and decision-making in public organizations, the presented impact model appears to be theoretically sound and functional. The presented impact model does require further empirical research to validate its structure and further define the context.

Leadership Strategies

Before presenting the leadership strategies it may be necessary to introduce the association between performance measures and leadership that are paramount for this study. The pressure is on in today's highly competitive environment to measure what really counts as the only way to ensure true business success. Thus, the use of carefully designed and accurately implemented performance measures has become the vital and strategic tool for ensuring you achieve organizational and departmental goals. Integrating appropriate performance measures into the whole of one's business activity and directly organizational behaviors through focusing on individual efforts will ensure one achieves desired outcomes. Measuring performance enables one to understand, control, plan, implement, and evaluation of ones activities and achieve results. This understanding, control, planning, implementation, and evaluating are management principles and directly involve managerial/leadership strategies.

In business practices, leadership ideologies share a common purpose: they exert ideological influence on changing an improving management practices with the ultimate goal of achieving a better business performance, in current terms, business excellence. The leaders focus should be the organizations future, how to get there, and how to share that vision with others. The embedding of quality in the organization can be viewed from many vantage points. As the focus here is on a managerial leadership process, and a common denominator for organizational and cultural change. If leaders advocate the spirit of innovation the entire organization incrementally absorbs the same spirit, and it becomes a unified mindset/value for the organization.

PM is a leadership tool to increase control and minimize risk. In other words, we measure things in order to reduce our uncertainty about what the future might bring. Ultimately, what gets measured gets noticed. Therefore, the role of a leader is to assess risk and plan for the future changes of the organization.

The following table represents a framework by which to classify leadership strategies, how performance measures support the leadership strategies, and how these three strategies impact performance measures.

Table 2: Leadership Strategy Framework

Leadership strategies	Performance measure support	Performance measures impacts
Human resource frame	Employee support management	Empower employees and redesign their work environment to make decisions
Scientific management/structural frame	Technical support	Supports management reform through established organizational goals and strategic long term planning
Political frame	Political support	Form coalitions to justifies service delivery and allocation of resources

In the following discussion, the leadership strategies and performance measures support strategies are the independent variables and the performance measure impacts are the dependent variable. The first section will address the rational for why these three leadership strategies where chosen form the many other leadership styles. The second section presents rational and examples for how performance measures support the management strategies.

Rational for Leadership Strategies

The leadership strategies are based on Bolman and Deal's (1997) three organizational structure frames. They clearly direct their research on the structural, human resource, and political frames of organizational structure. While each individual frame is clearly identified by Bolman and Deal, all frames are interconnected and interrelated. Each frame claims a scientific foundation, but each presents a singular theology (Bolman & Deal, 1997). The following paragraphs presents each of the leadership strategies and how each how performance measures support these strategies.

Human resources theorists tend to focus on influence that enhances mutuality and collaboration. The implicit hope is that participation, openness, and collaboration make power a nonissue. The human resource view assumes that incompatible preference can be resolved in a win-win outcome. Human resource theorists place little emphasis on power, though they often promote the idea of empowerment. The primary venue for human resource management is participation, giving workers the opportunity to influence decision-making about their working environment (Bolman & Deal, 1997).

The human resource management approach is based on psychological needs, feelings, attitudes and beliefs, skills, and limitations of participants. The key factor to the human resource management challenge is to construct an organization for the people, to find a means of having individuals get their work done while feeling good about what they are doing. The foundation for human resource management is best exemplified in total quality management (TQM) (Bolman & Deal, 1997).

The leadership styles associated with human resource management are, (a) consideration, how well a leader shows concern for the sensitivity of others, and (b) initiating structure, to what degree a leader actively structures the employees' activities? The task of leadership in human resource management is to help the organization develop a shared sense of direction and commitment. A good human resource leader is sensitive to both task and process (Bolman & Deal, 1997).

Scientific management commonly depicts an organizations hierarchy, allocates responsibility of participants, and utilizes technological support from the established organizational structure. The scientific frame revolves around created rules, policies, and procedures for coordinated activities. The scientific approach contents that the organization exist to achieve established goals and objectives, to increase efficiency through the division of labor, and the appropriate resources toward the attainment of organizational goals. It is through this structure that planning and decision-making are made (Bolman & Deal, 1997).

Mintzberg (1979), presents two approaches to planning; (a) performance control that utilize outcomes measures to base the results of goal attainment and (b) action planning that specifies decisions and actions to be completed in a specific time frame. Both approaches work to measure outcomes of established goals and objectives.

The leadership associated with this organizational structure is very structured, follows a coordinated set of rules, policies, and procedures. It to must be adaptive to communicate, motivate, and obtain individuality in an organization constructed out of team and group dynamics (Bolman & Deal, 1997).

The political frame emphasizes that no strategy will work without a power base. The political frame views authority as only one among many forms of power. It recognizes the importance of human needs, but emphasizes that scarce resources and incompatible preference cause needs to collide. The political frame insists that organizations are coalitions. Individuals and groups have different objectives and resources, and each attempt to bargain with others players to influence goals and decisions. Bargaining, negotiation, coercion, and compromise are just a few factors associated with politically structured organizations. The reason that coalitions are important in the political frame is relevant to the decision-making processes and allocation of scarce resources that encompass the dynamics of the political environment (Bolman & Deal, 1997).

Another key to the political frame is power, how it is distributed and who has the authority to make decisions toward the organizations goals. The political frame is not associated with individual power and authority, rather with the coalition of political activities. The key to political power is in the flow of information; those that have the information and know how to solve problems have the political power. Hence, the importance of performance measures in the sharing of gathered information (Bolman & Deal, 1997).

According to Bolman and Deal there are four key skills for being a successful manager in a political environment: (a) agenda setting a strategy for change, (b) mapping the political terrain, flow of communication, (c) networking and forming coalitions, and (d) bargaining and negotiating (Bolman & Deal, 1997).

Simplistically, agendas are statements of interests and directions. According to Kotter (1988) the first step in effective leadership is setting an agenda. Effective leaders create an

"agenda for change" with two major elements: a vision, balancing the long-term interests of parties involved and strategy for achieving the vision, recognizing the full range of completing internal and external forces (Kotter, 1988).

Planned change in a governmental agency requires not just knowledge or experience in the proposed agenda for change, a working knowledge of the political environment is essential. According to Pichault (1993) new initiatives in a political field require four steps: (1) determine the channel of informal communication; (2) identify the principle agents of political influence; (3) analyze the possibilities for both internal and external mobilization, and (4) anticipate the strategies that others are likely to employ (Pichault, 1993).

Kotter (1985) suggest four basic steps in building a network or coalition: (1) identify relevant relationships, figure out who needs what; (2) figure out where the leadership challenges will be, who will resists; (3) build relationships with potential opponents to facilitate communication; and (4) when the previous three steps fail, select and implement either a more subtle or more forceful method to influence network building.

From a political perspective, bargaining and negotiating is a central part of all decision-making. Bargaining and negotiating is not about determining a winner and a looser, rather, is about creating a win-win situation. According to Fisher and Ury (1981) there are four strategies to build positional bargaining: (1) separate the people form the problem, deal with people as human beings and the problem on its on merit; (2) focus on interests, not positions, if not, one may get locked into a position and overlook ways of achieving the targeted goal; (3) invent options for mutual gain, look for new possibilities; and (4) insist on objective criteria, standards of measures that reinforce fairness and substance to the objective (Fisher & Ury, 1981).

When comparing the image of leadership with the three frames a clear distinction is evident. The image of leadership in the scientific/structural requires social architecture skills, from the human resource perspective an empowerment approach is utilized, and from the political perspective the leadership image takes on an air of advocacy. The basic leadership challenges of each follow in the image of their leadership image. The scientific/structural attunes structure to task, technology, and environmental, the human resource challenge is to align the organization to the human needs of the participants, and the political challenge is to develop an agenda and power base that supports the leadership style.

Performance Measures Support.

In public organizations, where goals are not designated for ultimate financial gains, financial measures are used, but not emphasized in measuring and organization's overall performance. Therefore, financial gains are not expected impacts of PM. The New Public Management (NPM) approach rooted in quality management and advocated by several national governments provides a framework to answer this question. The assumption of this approach is that the lack of a competitive market for governmental products and services results in poor quality products and service, and inefficient operations and management. The solutions include injection of competition in the public sector service delivers, decentralization of decision-making structure, and eliminating unnecessary procedures in service delivery. A measure system needs to be present to evaluate the consequence of these goals.

Several impacts of PM are clearly expected in the NPM model. One concerns the improvement of communication, both legislative and public communication. Compared with financial measures, performance measures deliver different information. Crime rate tells a

different story about the performance of a local police department from an expenditure measure. PM provides information that substantiates management's conversation with elected officials and the public. Elected officials and the public gain insights on administrative performance. There is evidence that the public is not interested in finance-driven information system. It is expected that performance information can generate public interest in government performance and increase public and elected officials' use of performance information. Elected officials and the public become more interested in reading performance reports or budgets that include performance information (Wang, 2000).

In the past decade, managers have learned a great deal about implementing management reforms. Slowly, attention has shifted from the specifics of new management innovation strategies what is PM? To strategies for implementing change, what steps do we need to take? Today, however, more study is needed to better understand the conditions for implementing change do we have the conditions that are required for success? And to manage them do we know what these conditions are? In this context, the term capacity refers to organizations' ability to achieve their aims (Honadle, 1980). Ensuring adequate stakeholder support and technical abilities have become key capacities for implementing management reforms.

In many ways, understanding the importance of managing stakeholder support and technical ability comes from lessons learned the hard way. Budget reforms such as the Planning-Programming-Budgeting System and Zero-Based Budgeting in the 1960s and 1970s brought such worthy concepts as goals into the budget lexicon; but were criticized as technically over-reaching because of inadequate data collection capabilities and were inadequately supported by political officials, who viewed these reforms as a threat to their power (Gianakis & Stone, 1997).

Information from program evaluation efforts in the 1970s was judged as being too costly, complex, and untimely. Although "second generation" evaluation in the 1970s and PM in the early 1980s focused on short-term analysis and generated easy-to-understand data for decision makers, these efforts were not always part of ongoing decision-making 'processes among stakeholders (Wholey & Hatry, 1992). They needed to be institutionalized as part of budget or strategic-planning processes. Lack of integration and user involvement caused underutilization.

Stakeholder or political capacity concerns the nature of support for PM (Jones & McCaffery, 1997). There is widespread agreement that management reforms require support from top management. Support from elected officials is critical because it forecloses back channels, legitimates reforms and new performance expectations, and helps ensure funding for new efforts. In this regard, some states, such as Minnesota, mandate the use of PM by counties, often as part of county budgeting and strategic planning (Tigue & Strachota, 1994). The lack of support, especially from legislatures, is a commonly cited reason for the budget-reform failure (Rubin, 1997). Elected officials are reluctant to give support when they view it as a ploy by bureaucrats to "technicalize" their operations and thereby avoid legislative scrutiny (Kettl, 1994). Some authors believe that a major difference between previous managerial reforms and recent PM efforts is that the latter has support from legislatures (Broom 1995; Kettl 1994; Melkers & Willoughby, 1998). Counties also require support from lower managers, because it is well known that lower managers can sabotage reform through foot-dragging and end-runs involving citizen advocates and elected officials (Romzek, 1998). Support from advisory boards increases support for management reforms, because it increases the legitimacy of the actions of elected and appointed officials.

Finally, the proposed leadership strategies suggest that a competitive advantage can be gained through the successful embedding of a quality performance ideology. A deeply-rooted quality thinking presents a challenge to established leadership strategies. As qualitative process become orientated with quantitative long-term organizational planning, assumptions and beliefs of leadership thinking may change. In the organizations pursuit of business excellence, leadership strategies, managerial understandings of how performance measures can enhance good leadership skills for managing change will become critical in meeting demanding both internal and external challenges.

CHAPTER 3 METHODOLOGY

Description of Methodology

This quantitative and qualitative study will examine three leadership strategies; human resource, scientific management, and political strategies used in public sector management, a framework by which performance measures support these leadership strategies, and how these leadership strategies impact performance measures. This research consists of two phases: a content analysis of the Governmental Accounting Standard Board (GASB) cases and a content analysis of comment letters from 101 U.S. city officials. This chapter is constructed of five sections: design of study, sample of population, data collection protocol, validity and reliability, and data analysis. Each section clearly identifies the procedures involved in the design, implementation, and analysis of the survey instrument.

Design of Study

Phase one of this research consists of the evaluation of the GASB (2000) published cases conducted in twelve U.S. state and local governments. In these studies, GASB researchers used interviews, field observations, and document examinations to examine PM practices in these governments. To develop a study instrument, it is imperative to first perform a content analysis on these GASB cases. Details of this analysis can be found in Appendix A. Based on this analysis, eight (8) key findings of the GASB studies were summarized and presented in an instrument.

In analyzing the comments of the GASB cases, a two-step process that included examinations of the manifest content and the latent content of these comments was designed. In the first step, a commentator was asked to express a "view," either positive or negative, to a

GASB finding. In this step, key words of the commentators were examined to discover the response. In the second step, an overall assessment of the commentator's comments and examples was performed to identify whether he or she agreed or disagreed with a finding. This mode of the analysis is suggested and used by social scientists for voluminous qualitative information (Babbie, 1999).

Then comments were classified and coded. In this process, words, sentences, and examples in comments were analyzed and coded to categories of "Yes," "No," and "Inadequate response." "Yes" is designated when a commentator explicitly indicates that his or her city experiences an impact and examples are provided to support this view. "No" is assigned when a commentator explicitly indicates that a city does not experience the impact and comments are provided to support this view. "Inadequate response" is applied to the following situations. First, a commentator agrees with a finding statement but fails to provide supporting examples. For example, one commentator used the following statement in response to a finding, "This may be the case in certain operating departments. No definite examples come to mind." No examples are given. Another response stated, "It is difficult to judge." It is likely true in some departments but not others." Again, no examples are provided. In other cases, a commentator may provide an answer or an example that doesn't address the question. For example, when asked about the use of performance measures for funding decisions, several commentators indicate the use but fail to address whether their departments successfully defended their budgets in front of legislators. Second, a commentator agrees with a finding statement and provides supporting examples. However, the examples do not directly support the commentator's view. The examples include the use of financial measures cost saving, revenue and expenses figures,

etc., to explain the impact of non-financial performance measures. In another example, a commentator notice the increase of public interest in government performance but is not sure it is a result of PM or something else.

Sample and Population

The sample and population size for this study was determined by previous participation in two published articles on PM in U.S. counties: "Capacity for reform" and "PM in budgeting: A study of county government." It was determined through these studies that there is a direct correlation between a city's/county's capacity to use PM and the population size of the municipality. Through these studies it was determined that cities with a population greater than 50,000 had a more significant capacity to use PM. Therefore, summer of 2001, a survey instrument was sent to all chief executive officers of 545 U.S. municipalities with populations over 50,000. A city address file was obtained from the National League of Cities in 2001. A letter of consent and a copy of the pilot survey instrument were sent to the National League of Cities to explain how the purchased database of the latest public officials and addresses was going to be used. The file includes the latest officials' names and addresses after the 2000 election. City names and addresses were also verified with ICMA's Municipal Yearbook.

Data Collection Protocol

The pilot survey instrument was pretested on a group of 50 city officials to ensure that the instrument was appropriately designed and to test both the validity and the reliability of the instrument. A copy of the pilot survey instrument is presented in Appendix B. The respondents were asked to comment on these findings in light of the PM experiences of their own cities.

Corrections on question wording, question sequence, and grammar were made after the pretest. Respondents were also asked to present examples to support their views.

After the pretest, the instrument was sent to a printing center for final publication of the survey instrument. In summer 2001, the survey instrument was sent to all chief executive officers of 545 U.S. municipalities with populations greater than 50,000. A copy of the final survey instrument is presented in Appendix C. From May through September 2001, three waves of survey instruments were mailed out, each time excluding those participants that had already responded to the survey. Each returned survey instrument was checked for both validity and reliability, coded, and entered into statistical package for the social science (SPSS) for analysis.

Validity and Reliability

Several procedures were used to ensure the validity and reliability of classification and coding. Berg (1989) recommends some of the following steps. First, as mentioned above, examples were examined to be consistent with a commentator's view to a finding. An "inadequate response" category was used in coding to eliminate invalid comments. Second, telephone follow-ups for clarification were conducted to the commentators whose comments were ambiguous. Third, telephone interviews were performed to selected commentators for in-depth discussions on PM impact. Finally, a reliability test shows that PM impact is reliably measured (Cronbach's alpha = 0.8038).

This comment letter analysis differs from survey research as it solicits far richer information through commentators' comments and examples in an open-ended fashion of questioning. It is appropriate for studying leadership strategies of PM, a field that is not well defined (CBO, 1993). This method is more valid than a regular survey because it sets a higher

validity bar. Only those who have substantial knowledge about PM can write comments. The instrument is 12-pages long and consists of two sections. Section one consists of eight (8) questions for comments based on the GASB study and section two asks seventy-six (76) questions on PM practices. On the other hand, unlike individual case studies, the comment letter analysis reaches to far more organizations so the findings can be generalized to a greater extent.

Data Analysis Procedures

Statistical analysis of section one of the survey instrument will consist of a content analysis of the eight (8) comments based on the GASB study. These eight (8) questions will be coded, weighted, and entered into statistical package for the social science (SPSS) for analysis. Questions in this section may be analyzed with each response as a separate variable or by using Kendall's Tau-c correlation test to group similar responses into an index. Other questions throughout in the survey instrument will also be calculated with the tau-c correlation test or by the use of descriptive calculations. Kendall's tau-c is a nonparametric measure of association for ordinal variables that ignores ties. The sign of the coefficient indicates the direction of the relationship, and its absolute value indicates the strength, with larger absolute values indicating stronger relationships. Statistical significance will be determined with findings less than .05. However, the statistical significance with findings less than .01will be noted. This will be done to express a more statistical correlation between variables. A frequency distribution of each survey question can be found in Appendix D.

This study proposes to use multiple items to measure leadership strategies used in government to facilitate PM. A theoretical framework adopted by Bolman and Deal was used to develop these items, see the "literature review" for a detailed discussion of this framework.

Section two, "Performance Measure Practices" question six (6) of the survey instrument asked respondents to please evaluate the following statements concerning leadership strategies in PM in their city by checking all that apply from the fourteen possible responses. The items used to measure the human resource index (HR-Index) aspect of leadership strategies include "Our administration has...." involved most managers in PM; involved most employees in PM; tried to eliminate managers' fears about PM; developed managers' ability to understand PM; developed managers' ability to design performance measures; and developed managers' ability to implement PM. The items used to measure the scientific management index (SM-Index) aspect of leadership strategies are "Our administration has ...." focused on performance information gathering capabilities; focused on performance data analysis capacities; focused on the information technology that facilities PM; and focused on budgets for PM. The items used to measure the political index (PO-Index) aspect of leadership strategies include "Our administration has...." focused on the solicitation of legislative support for PM; focused on the solicitation of citizen support for PM; and focused on the solicitation of supports from the business community.

Each of the previously mentioned indexes represents an ordinal scale with 1 being less than 5. To create the HR-Index seven items were added together and divided by 7 the total variable items. The HR-index = (X1+X2...+X7) /7, where X1=the value of first survey item, X2=the value of the second item... X7=the value of the seven items. Each grouping of like items will generate an index consisting of seven items for the HR-Index, the next four items for the SM-Index, and the final three items for the PO-Index.

A single survey item often cannot address the richness and complexity of this study. Multiple measurements are needed to measure leadership strategies. Using a single survey item may generate more random response errors (Babbie, 1995). With multiple survey items, statistical tests can be used to evaluate the reliability of the measurement and eliminate those items that are not reliable to measure respondents' statements. In addition, it is relatively easier to identify the respondents who do not answer questions in a reliable way with multiple survey items. Therefore, in this study, the research used multiple survey items to create three leadership strategy-indexes.

The following chapter on the presentation and analysis of the data will consist of five sections: introduction of the data, demographics of the sample, and analysis of three hypotheses. These sections will also include the analysis of the statement of the problems that were introduced in chapter one of this document.

CHAPTER 4 PRESENTATION AND ANALYSIS OF THE DATA

Introduction to the Data

This chapter will present the statistical analysis of the data, formulate conclusions to the fundamental research questions, and evaluate the data and draw conclusions on the studies three hypotheses. The two fundamental research questions are (a) what leadership strategies are more likely to have a significant performance measure impacts? And, (b) what leadership strategy best supports performance measures impact? It may be concluded that the success of performance measures is greatly affected by the cities' underlying leadership strategy and support of the organizations structure.

The three hypotheses are (1) Organizations with a strong human resource leadership strategy are more likely to have a significant performance measure impact. (2) Organizations with a strong scientific management leadership strategy are more likely to have a significant performance measure impact, and (3) Organizations with a strong political leadership strategy are more likely to have a significant performance measure impact. This chapter will present the frequency distribution and correlation testing of variables. After the analysis is presented the final section of this chapter will conclude with evaluations of the research questions and hypotheses testing.

The results of the key findings and frequency distribution of the studies findings will be presented first. A complete frequency distribution of the studies findings can be found in Appendix D. Further statistical analysis using Kendall's tau-c correlation coefficient testing will evaluate the PM impacts and leadership strategies, and analysis of how PM supports different leadership strategies. Kendall's tau-c is a nonparametric measure of association for ordinal

variables that ignores ties. The sign of the coefficient indicates the direction of the relationship, and its absolute value indicates the strength, with larger absolute values indicating stronger relationships. Statistical significance will be determined with findings less than .05. However, statistical significance with findings less than .01will be noted. This will be done to express a greater statistical correlation between variables.

Demographics of the Sample

As mentioned in the methodology section, summer 2001, a survey instrument was sent to all chief executive officers of 545 U.S. cities with populations over 50,000. Of the 545 U.S. cities surveyed, 131 instruments were received or 24%. After the initial analysis, 101 instruments were considered valid instruments, and the analyzed data is presented in the following sections.

101 comment letters were received with substantial comments. Among the commentators, 38% were City Managers, Chief Administrators, or Assistant City Managers; 29% were chief finance, budget officers, finance directors, or budget directors; and 12% were management or budget analysts. Other commentators include performance measurement directors/coordinators, directors of administrations or operations, directors of planning, organization development coordinators, directors of organizational effectiveness, and other high-level city officials. 92% of the commentators say they are "familiar" or "very familiar" with PM in their cities.

Response cities have used PM for an average of 7.5 years. In 64 % of the cities, more than 50% of their agencies use PM. 62.0% of cities use outcome measures, and 60.0% have

citizen or client satisfaction measures. Evidently, these cities mainly represent sophisticated PM users with relatively long PM experiences.

Table 3 represents the frequency distribution of the eight-findings/PM impacts. The data shows two major uses of PM impacts. First, 59% of managers to identify goals and expectations use PM; management strategies, personal responsibilities, and that PM have become a part of the cities management language. Second, 57% of public managers use PM to develop solution to managerial and operational problems. Other findings indicate 47% of legislators do not use PM to communicate with managers in legislative hearings or during budgetary or strategic planning settings. Further analysis validates this marginal use of PM. 50% of the commentators' responded that their primary reason for using PM is to enhance budgetary resources and 47% of them view their primary reason to use PM is to enhance strategic planning. This consistency validates the commentators' responses in these questions.

Additionally, commentators' responses indicate that 55% do not use PM to determine funding priorities or reallocation of resources. 54% do not use PM to adjust service delivery or decision-making. 53% do not use PM to decide on restaffing, job assignments and responsibilities, and terminations of job assignments. 56% do not use PM for the development of city-wide goals, strategies, action plans, and interdepartmental work.

Table 3: Descriptive analysis of performance measurement impacts (8 findings)

PM impacts	Yes (n)	No	Not adequate
Legislator use	44% (100)	47%	9%
Resource allocation	33 (98)	55	10
Citizen use/interest	25 (98)	57	16
Goal specification	59 (101)	27	15
Problem identification	57 (100)	35	8
Restructuring	35 (101)	55	11
Restaffing	36 (100)	53	11
Interdepartmental work	26 (97)	56	15

Table 4 represents the frequency distribution of commentators' responses to statements concerning the support for PM in their respective cities. The data reflects significant support of PM by city officials with 90% of city managers, 67% of department heads, and 42% of supervisors supporting PM in their cities. Clearly, the hierarchies of city officials tend to support PM than do legislators. The data indicates that 53% of legislators do support the use of PM, while other legislators do not participate in PM, nor do they allocate funding for PM.

Most employees, citizen advisory boards, and citizen advocates do not support the support the use of PM with 78%, 78%, and 76% respectively. This negative support may be attributed to the lack of city officials using PM. The comments indicate that citizens expect good performance but generally do not care for details. Others commentators indicate that there is a total lack of citizen interest with cities' operations. Some cities do not publish PM data for citizens to evaluate, or citizens only get involved with PM when a specific issue is involved.

Commentator's responses indicate that the vast majority of citizens do not express an interest in PM, while others indicate that there is a small (5 to 10%) of citizens who track the city's performance regularly. City officials indicate that PM is rarely in the news media unless

something is broken or wrong. A few cities have started extensive public processes to create citizen assessment programs and imitating citizen satisfaction surveys to have more citizen participation and to promote a greater understanding of how PM are used in public organization. Data from this study indicates that 60% of the commentators utilize citizen or client use satisfaction surveys, 62% use outcome measures that examine the results or impacts of organizational efforts and activities, and 53% use service quality measures.

Table 4: Descriptive analysis of support for performance measures

Supports	Yes (n)	No or don't know
City manager's office	90% (100)	9%
Department heads	67 (100)	33
Manager	42 (100)	58
Supervisors	24 (100)	76
Legislator	53 (100)	47
Legislator participate	3 (100)	97
Legislator funding	10 (100)	90
Employee	13 (91)	78
Citizen advisory boards	22 (100)	78
Citizen advocates	24 (100)	76

Table 5 represents the frequency distribution of the commentators' responses to statements concerning various leadership strategies used in the respondent's city. Section two of the survey instrument, "Performance Measure Practices" question six (6) of the survey instrument asked respondents to please evaluate the following statements concerning leadership strategies in PM in their city by checking all that apply from the fourteen possible responses. The items used to measure the human resource index (HR-Index) aspect of leadership strategies include "Our administration has...." involved most managers in PM; involved most employees in PM; tried to eliminate managers' fears about PM; developed managers' ability to understand PM; developed managers' ability to design performance measures; and developed managers'

ability to implement PM. The items used to measure the scientific management index (SM-Index) aspect of leadership strategies are "Our administration has...." focused on performance information gathering capabilities; focused on performance data analysis capacities; focused on the information technology that facilities PM; and focused on budgets for PM. The items used to measure the political index (PO-Index) aspect of leadership strategies include: "Our administration has...." focused on the solicitation of legislative support for PM; focused on the solicitation of citizen support for PM; and focused on the solicitation of supports from the business community. Therefore, the first seven statements in table 5 represent the human resource management strategies, the next four statements represent scientific management strategies, and the last three statements represent political strategies.

Of the seven human resource management strategies three strategies represent a positive response. First, 80% of commentators do involve most managers in PM. Second, commentators affirm that 57% of their administrations have tried to eliminate managers' fears about PM, and third, 52% developed managers' ability to understand performance measures. 90% of commentators do not involve their employees in PM, and 78% do not try to eliminate their employees' fears of PM.

Clearly, in this question, the commentators' administration does not focus their leadership strategies on either the scientific management or political leadership strategies. None of the scientific-management or political management strategies represents a focus on performance of information-gathering capabilities, data-analysis capacities, information technology that facilitate PM, or on budgets for PM. Nor do they focus on the solicitation of legislative, citizen, or business- community support from.

Table 5: Descriptive analysis of leadership strategies in performance measures

Leadership strategies	Yes	No or don't know
Involved managers	80%	20%
Involved employees	10	90
Eliminate managers' fears	57	43
Eliminate employees' fears	22	78
Managers' ability to understand PM	52	48
Managers ability to design PM	37	63
Managers ability to implement PM	34	66
Gathering capabilities	33	67
Data analysis capacities	23	77
Information technology that facilitates PM	17	83
Focused on budgets for PM	30	70
Solicitation on legislative support for PM	15	85
Solicitation on citizens support for PM	14	86
Solicitation on support for from the business community	4	95

n=100 .1%missing from all categories

Correlation testing of PM impact model and leadership indexes

This section will utilize the richness of the commentators' comments to analyze three objectives of this study. The first step in this analysis is to evaluate the commentators' comments in correlation to the proposed PM impact model that was presented in Table 1, and the three leadership strategies presented in Table 2. Table 6 illustrates the correlation between the PM impact model and the three leadership strategies. Second, evaluation of the correlations between the commentators' responses concerning their cities' support for PM and the three leadership strategies and, finally, the correlations between various types of PM and the leadership strategies will be assessed.

More specifically, performance measures impacts are classified into three dimensions: (a) Enhanced communication concerns, the improvement of elected officials and the public

understanding about administrative performance. It is expected that performance information can generate public interest in government performance and increase public and elected officials' use of performance information. Elected officials and the public become more interested in reading performance reports or budgets that include performance information; (b) Enhanced performance monitoring concerns the impacts of PM through specifying management goals, expectations, strategies, and personal responsibility, through identifying management problems and solutions, and through facilitating interdepartmental coordination and across-departmental team working; (c) Enhanced resource allocation refers to the legislative use of performance indicators to analyze an agency's activities/efforts and to justify an agency's budgetary requests. Legislators can use performance indicators to establish budgetary expectations for administrators and use them to evaluate an agency's budget requests. Legislators can make funding decisions on the basis of an agency's performance. Also, agencies can use performance information to make decisions concerning realigning organizational structures or re-staffing to improve efficiency.

Impacts of performance measurement: (8) findings/impacts

The tau-c correlation coefficient analysis of the (8) findings/impacts and the three leadership strategies can be found in the following Index Correlation Table 6. The index correlations table shows the indicators of the PM Impact Model and the correlation of the three leadership strategies. The three PM impact variables include the reporting variable consisting of two indicators: legislators and performance reports; the management variable consisting of three indicators: goal specifications, problem identifications, and interdepartmental work, and finally,

the budgeting variable consisting of three indicators: resource allocation, restructuring, and restaffing.

Reporting

The reporting variable consists of two correlations: that legislators use PM information to communicate with managers in legislative hearings, budgetary processes, and strategic planning processes; and that citizens do not show much interest in performance reports or budgets that include performance information.

Analysis of the SM-Index indicates that legislators use PM to enhance communication with legislators and to improve the relationship between the elected officials and the public understanding about administrative performance to the citizens. This communication promotes public trust and legislative accountability to the public. The SM-Index analysis shows a strong correlation with the citizen use report indicator with a tau-c= .411 at a .000 significance level over the HR-Index and PO-Index. The PO-Index does indicate a moderate tau-c= .266 at a .003 significant level. This may be attributed to, in that elected public officials complete the survey instrument or that 57% of the commentators responded that their citizens do not show any interest in PM.

The HR-Index may be less significant because it has less to do with legislator's use of PM to enhance communication with legislators, to improve the relationship between the elected officials, and to the public understanding about administrative performance to the citizens and more to do with employee interaction, job performance, and job empowerment. The commentators' comments center on the use, distribution, and monitoring of data, as well as the accountability of legislatures' decisions based on the data. The negative responses utilize the

previously mentioned comments but further elaborate that they have not utilized PM enough to have an opinion on its effectiveness in legislative hearings, budgetary processes, strategic planning processes, or other settings.

78% and 76% of commentators report that citizen advisory boards and citizen advocates do not support the use of PM. This negative response may be true in rudimentary PM systems and general statistical data, but not in areas such as crime rates, fire and police response time, property value trends, recycling programs, tax rates, and school performance. More specifically, test sources, advance placement (AP) classes, state and county rating of performance, class size, and teacher ratio.

Commentators' responses indicate that they use PM indicators such as crime, fire, and police statistics to assess staffing needs, to assess specific performance standards for water plants, to communicate performance information of council, and as a significant part of the strategic planning process. However, 86% of the surveyed respondents indicate their administration does not focus on solicitation of citizen support for PM.

Management

The management variable consists of three indicators: public managers identifying managerial goals specifications, problem identification, and interdepartmental teamwork. Of the three leadership indexes, the HR-Index represents two significant correlations: goals specification at a tau-c = .291 index with a .006 significant level and interdepartmental work at a tau-c = .312 index at a .001 significant level. Clearly, these two correlations are statistically more significant than either of the other two leadership indexes. The increased significance of the HR-Index may be attributed to leadership style of promoting personal responsibility, and

through facilitating interdepartmental coordination and across-departmental teams. Further analysis shows that 80% of the city managers are involved in PM.

Others use PM as a means of communicating funding priorities as benchmarks against other services or departments. The key funding priorities or resource allocations of these findings concern public safety, such as in fire, police, and health issues. As one commentator put it, "All requests for new programming [funding] must be presented in terms of potential impacts on PM. If the police want a new neighborhood substation, it must be justified in terms of reduced crime in other neighborhoods." Therefore, the use of PM to determine funding priorities is just one of many inputs to make program decisions. Other municipalities indicate "that their cities' performance goals are designed with citizens' input, and to prioritize direct service delivery in the cities' 5-year strategic plan. This 5-year strategic plan is initiated through annual citizens' surveys that successful accomplishment of multiple strategies within the area of economic development, public safety, municipal services, and service to the youth groups."

A unique response to this issue responded, "that they [their city] are weaving PM into their cities fabric. They have both city-wide vital measures, those that give an indication of the health of their cities departments." Others responded that "PM is evolving—the process of developing measures, a healthy discussion of what the goals, and expectations were for programs. Once these measures were established and agreed upon, it enabled a better flow, strategy development, and responsibility assignment." An example: "our pothole-filling programs goal ranged from the amount of material utilized productivity focus to how quickly a pothole was filled, customer responsiveness decided on the latter two as the focus of the program." Some responded "that their [city's] PM systems, consolidates their management plan,

and serves many purposes. PM helps cities manage limited resources, ensure performance, and maintain serious commitments to eliminate gray areas and clearly identify responsibilities and accountability throughout the organization."

The usage of PM in cross-departmental and city-wide goals raises two perspectives. First, commentators indicate that the development of strategies comes first. Once strategies are understood, goals and action plans can be developed. The PM should tell express if your strategy is making a difference. Interdepartmental teamwork has been successful to various degrees. A clear mission and strategy encourages teamwork and an organization's culture. PM has a positive influence on teams to help define and achieve goals. Second, that PM grows out of goals, strategies, and plans of cooperative efforts, rather than providing the driving force for them. One city's example is that it is currently completing an environmental audit of the city's pesticide and water use practice. Part of the outcome of this project is the development of PM to assist in tracking their progress toward established goals. One city responded, "that cross-functional teams are used to deal with high profile issues, many with a high public profile. The high profile issues, including response time data for fire and EMS service, youth crimes, accidents levels, and crime rate, are central to city goals." Finally, a comment from a city with a young PM system states, "that they are just now incorporating measures into their overall strategic plan. Their intent is to tie each budget objective to the overall city strategic plan, which should result in concreted efforts to achieve the strategic goals. The goals are driving measurements decisions, not the other way around."

Budgeting

The budgeting variable includes three indicators: resource allocation that consists of legislators using PM either to increase their budgets or to defend spending; restructuring that consists of the respondents' using PM to adjust service delivery or decision-making; and restaffing that entails the use of PM in changing job assignments or responsibilities, or in terminating and hiring of employees. Of the three leadership indexes, the HR-Index represents two significant correlations: restructuring or adjusting of service-delivery with a tau-c= .239 index at a .019 significance level and restaffing with a tau-c= .231index at a .026 significance level. The HR-Index is statistically more significant than the PO-Index on all accounts. However, the restructuring or adjustment of service delivery indicators of the SM-Index is comparable to the HR-Index with only a .026 variance at a .045 significance level.

While a few respondents related funding directly to the success or failure of programs by inadequate monies, more than half of those surveyed indicate that funding priorities are established through justification of performance data. In other words, the measures are directly associated with departments that are responsible for providing the service.

Commentators' examples of resource allocation include the use of PM on a case-by-case basis. "Departments will present performance related data when justifying the need to increase a budget... performance data is used to determine development allocated staff levels indications such as active workload, clearance rates on building permits, and adjustment of staffing levels." Other use PM to defend spending on street pavement conditions, funding cuts on departments capital and maintenance programs, evaluating public safety services, determining funding priorities, and as a means of benchmarking against other service providers.

53% of respondents state that PM is not the driving force regarding changes in job assignments, staffing decisions, and hiring decisions. Positive usage of PM in restaffing includes prioritizing staffing decisions for parks by analyzing acreage and other factors to determine staffing needs. Other staffing needs that are attributed to PM include consolidation of bulk trash collection, response rate determining police and fire staff, risk management, grounds keepers for park maintenance, and case workers with child protection. While some cities use PM to directly increase or decrease staffing, a few of the responding cities use PM to maintain a core management staff to oversee outsourced venders and maintain outsourced contracts. It is this PM initiative that may strengthen city governments and provide flexibility, expertise, and a best-in-class resource on demand.

As an inverse example, "the rate of fire may have dropped significantly as a result of building-code improvements, yet fire resources levels remain unchanged." Generally, these resource allocations appear to be tied to political sensitivity. Other cities use PM in re-staffing decisions to replace or not to replace vacated positions due to retirement. The only drawback with this scenario is that PM for this decision is not reported upon during the budget process.

Table 6: Performance measurement impact and index correlations

Impacts/Findings	HR-Index	SM-Index	PO-Index
Reporting			
legislator use	.172	.103	.078
citizen use	.176*	.411**	.266**
Management			
goal specifications	.291**	.111	.066
problem identifications	.052	.180	-.007
interdepartmental work	.312**	.134	.084
Budgeting			
resource allocation	.093	.181	.036
restructuring	.239*	.213	.092
restaffing	.231*	.162	.109

* $p < .05$ ** $p < .01$ Tau-c calculations

Performance measurement support

The commentators were asked to evaluate ten statements concerning the support for PM in their respective cities. Table 7 presents the correlation among the three leadership strategies and the ten statements concerning the supports for PM used in the commentators' cities.

The results of Table 8 show a positive association with the HR-Index and the three support findings. The SM-Index shows a positive association between the SM leadership strategy and one PM support finding.

The HR-Index analysis shows a positive association with the three significant correlations. First, 67% of the commentators responded that their department heads support PM and that the HR-Index has a moderate correlation with a tau-c= .261 at a .011 significance level over both the SM-Index and the PO-Index. Second, 42% of commentators responded that most managers support the use of PM and that the HR-Index has a moderate correlation with a tau-c=

.303 at a .005 significant level over the PO-Index. However, the SM-Index is comparable to the HR-Index with a .008 variance less than the HR-Index at a .006 significance level. Third, commentators acknowledged that their city employees support the use of PM with a tau-c= .295 at a .000 significant level. The PO-Index does not show any correlation between the PO leadership strategies and any statements of support for support of PM. The lack of correlation between the PO-Index and the cities' administration support of PM may be attributed to the fact that 91% of commentators indicate that their primary reason for their city's using PM is not because PM is mandated by governmental agencies or by laws. Commentators' responses indicate that 50% use PM to enhance strategic planning, 73% use PM to monitor administration's performance for efficiency and effectiveness, and 58% use PM to make administration's performance accountable to elected officials and the public.

Table 7: Performance measurement support and leadership correlations

Supports	HR-Index	SM-Index	PO-Index
City manager	.038	.100*	-.032
Department head	.261*	.074	.112
Manager	.303**	.295**	.147
Supervisors	.099	.048	.008
Legislator	.102	.168	.192*
Legislator participate	.062	.059	.064
Legislator funding	.045	.177*	.168*
Employee	.295**	.144*	.094
Citizen boards	.099	.180	.155
Citizen advocates	.148	.190*	.190*

*: P< .05 **: P<.01 Tau-c calculations

Table 8 presents the correlation of the three leadership strategies in relation to the four types of PM that are used in the commentators' jurisdictions. Of the three leadership strategies

the HR-Index represents a significant correlation to all four of the types of PM over the other two leadership indexes. Of the four types of PM tested, outcome measures that examine the results or impacts of organizational efforts and activities are significant with all three of the leadership strategies. Further analysis confirms that 73% of the commentators' primary reason for using PM is to monitor administrations' performance, organizational efforts, and activities for organizational efficiency and effectiveness.

Table 8: Types of PM used and Index Correlations

Types of performance measures	HR Index	SM Index	PO Index
Workloads or output measures organizational efforts and activities	.295**	.115	.030
Outcome measures of organizational efforts and activities	.443**	.320**	.195**
Citizens or client satisfaction survey	.284**	.108	.139
Service quality measures	.408**	.156	.201*

* $p < .05$ ** $p < .01$ Tau-c calculations

Research questions and hypothesis testing

This section will present the findings and conclusionary statements that will address the two fundamental research questions and empirical observations and evaluate the data and draw conclusions on the studies three hypotheses. To determine the conclusionary statements of the research questions and hypotheses, correlation analysis of the eight finding/impacts was used. Correlation analysis of the ten statements concerning the support for PM in the commentators' cities was used to determine which of the leadership strategies best supports performance measures impacts. Descriptive statistical analysis was also used to validate the correlation analysis.

This study hypothesizes a positive association among three leadership strategies: human resource, scientific management, and political leadership strategies. The differentiations of these three leadership strategies incorporated in this study are based on Bolman and Deal's (1997) three organizational structure frames. The two fundamental research questions are designed to select which of the three leadership strategies is more likely to have a significant performance measure impact and which of the three leadership strategies best supports performance measures impact. This study hypothesizes that (1) Organizations with a strong human resource leadership strategy are more likely to have a significant performance measure impact. (2) Organizations with a strong scientific-management leadership strategy are more likely to have a significant performance measure impact and (3) Organizations with a strong political leadership strategy are more likely to have a significant performance measure impact. The following sections will evaluate each of the hypotheses.

Hypothesis one

The findings of this study indicate that of the eight PM impacts, the HR-Index has a higher tau-c correlation than either the SM-Index or the PO-Index. The HR-Index has a higher leadership index level of four of the eight impacts. They include two of the three management findings: goal specification and interdepartmental work with a .291 and .312 tau-c correlation respectively. The HR-Impacts also has a higher leadership index on two of the three budgeting findings: restructuring and restaffing with a .239 and .231 tau-c correlation respectively. The HR-Index has a moderate leadership index over the PO-Index in the reported findings of legislators and performance reporting.

Further analysis indicates that, of the four types of performance measures tested in this study, the HR-Index best support all four types. To summarize these finding, the human resources leadership strategy uses workload or output measures that evaluate organizational efforts and activities, outcome measures of organizational effort, citizen or client satisfaction survey, and service qualities measures with a significant .295, .443, .284, and .408 tau-c correlation respectively over both the SM and PO-Indexes.

This study finds that organizations with a strong human resource leadership strategy are statistically more likely to have a significant performance measures impact. Therefore, organizations that use human resource leadership strategies have a higher PM impact. Regarding the two research questions, the human resource leadership strategy is more likely to have a significant performance measures impacts and the human resource leadership strategy best supports the use of performance measures. The HR-Index has little correlation with the PM reporting impacts. This may be less significant because it has less to do with legislator's use of PM to enhance communication with legislators, to improve the relationship between the elected officials, and to the public understanding about administrative performance to the citizens, and more to do with employee interaction, job performance, and job empowerment.

Hypothesis two

While the human resource management leadership strategies are more likely to have significant PM impacts, the SM-Impacts does have positive influence on the reporting impacts. The findings of this study indicate that of the eight PM impacts, the SM-Index has a higher tau-c correlation than either the HR-Index or the PO-Index on the reported findings. The reporting includes the legislator's using PM to communicate information during legislative hearings and

communication performance reports to citizens with a moderate .193 and .411 tau-c correlation respectively over both the HR and PO indexes. The SM-Index does indicate that legislators use PM to enhance communication with legislators and to improve relationships between the elected officials and the public understanding about administrative performance to the citizens. This communication promotes public trust and legislative accountability to the public.

Organizations with a strong scientific-management leadership strategy are not as likely to have a significant performance measure impact than the human resource management strategies. In regard to the two research questions, the scientific leadership strategy is not as likely to have significant performance measures impact; nor does the scientific leadership strategy support the use of performance measures impacts.

Hypothesis three

The findings of this study indicate that of the eight PM impacts, the PO-Index does not have any higher tau-c correlations than either the SM-Index or the PO-Index. The PO-Index does indicate a moderate leadership index level of one of the eight impacts. Of the two reporting findings the PO-Index has a moderate .266 tau-c correlations on the communication of performance reports to citizens. This moderate correlation on the communication of performance reports to citizens may be attributed to a growing number of citizens requiring a greater understanding and interest in PM data and to a growing number of cities promoting citizen assessment programs to enhance a greater understanding of how PM are used in public organizations decision-making processes. The PO-Index does not show a correlation to any of the other tested findings. In regard to the two research questions, the political leadership strategy

is not as likely to have significant performance measures impact, nor does the political leadership strategy support the use of performance measures impacts.

To summarize the hypotheses findings: the leadership strategies examined in this study, i.e. HR, SM, and PO-strategies, to some extent, are all significantly associated with PM impact. Therefore, it can be concluded that all of the strategies may have significant influence on PM impact. However, since the HR strategies have a higher association with PM impact, it appears that the HR strategies are more effective than the other two strategies to influence PM impact. This finding may suggest that, for these sophisticated PM users, those who may already have SM and PO leadership strategies such as abundant financial resources in measure development and mandatory PM ordinances which provide political legitimacy of PM in these organizations, it is now important to get employers involved in PM.

The following chapter will include three sections. First, a summary of the studies findings from both the leadership viewpoint and the use of PM perspectives will be presented. Second, conclusions from the analysis will be presented. Finally, recommendations for PM use in the public and private sectors as well as for evaluating the leadership of public officials will be discussed within the parameters of the study. The remainder of the paper includes the reference section and the appendices.

CHAPTER 5 SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary

An overview of leadership research shows that there is a wide variety of different theoretical approaches to explain the complexities of the leadership process. Some researchers conceptualize leadership as a trait or as a behavior, while others view leadership from a political perspective or from a humanistic viewpoint. Leadership has been studied using both quantitative and qualitative methods from many contexts, including small group, therapeutic groups, political groups, and large groups. A few commentators suggest that the duties of a leader should be as the central component of focus or group processes. Others conceptually define leadership from a personality perspective, while others define it from a behavioral approach. Finally, others view leadership as an instrument of goal achievement, helping group members to achieve their goals and meet their needs. Evidently, these cities mainly represent sophisticated PM users with relatively long PM experiences.

The demographic findings of this study only tell one side of the studies findings. The significant demographic findings include: commentators have used PM for an average of 7.5 years; 91% commentators say they are "familiar" or "very familiar" with PM in their cities; 73% of commentators indicate that the City Manager's Office is the driving force in PM, and 90% indicate that the City Manager's Office supports the use of PM. The majority, 55% of the commentators indicates that their staff is capable of analyzing performance data; the primary reason that cities use PM 73% is to monitor administration's performance for efficiency and effectiveness. 91% of commentators indicate that their use of PM is not mandated or associated

with a law; and that most 62% of cities use outcome measures that examine the results or impacts of organizational efforts and activities.

Finally, the statistical analysis of the correlation testing supports both the proposed PM Impact Model that was presented in Table 1 and the Leadership Strategy Model presented in Table 2.

Conclusions

The key ingredient for operating a proactive PM process is trust, specifically, trust in the reasonably fair use of information and leadership. PM is not a clean mechanical process. The indicators touch things that are important and that will generate strong reactions. The view that "information is power" is not an idle cliché. Leaders and managers who embrace and are committed to being proactive believe that PM is a part of getting there.

PM is a key tool in the effort to redefine and "reinvent" government. It allows policy makers, agency directors, program managers, legislators, and the general public to evaluate the effectiveness of government programs. Measures of performance include inputs (the resources allocated), outputs (direct results of program activity), efficiency measures (ratio of inputs to outputs), and outcomes (broad results of program activities in the lives of those served).

Accountability systems, whether results or performance, are not ends in themselves, but are a means to the ends, of improved conditions, of well-being for children, families, and communities. The technology of accountability will always be developmental and controversial. If accountability is real, it affects things that matter. It provides consequences for success and failure. Without such systems, we will fuel cynicism about government and private-sector performance, and, worse, we will deserve such cynicism. PM, as part of a results-based

accountability system, can help build public confidence in government and community institutions and, more importantly, help us create improved results for children, families, and communities.

To make the cost of implementing PM on a continuing basis worthwhile, public agencies must ensure that the information can help improve public services. Public managers are key users for such information and perhaps play the most crucial role in making PM successful. When managers reap real benefits, their commitment to the sometimes-formidable task of capturing and reporting performance data increases. The presented documentation provided above will afford some ideas that governments can use to help them make expenditures of time and dollars well worth the effort.

The recommendations for the use of PM are clear. PM is a management tool that shares information, enhances decision-making, and promotes ownership of all individuals within an organization. PM enables two-way communication, a shared vision of an organization's mission and goals, and establishment of a plan of action and accountability for meeting these goals.

Recommendations for future research

There is an immediate need for continued research in PM in both public and private organizations. PM has been a management tool for over two decades. Empirical research is needed to evaluate the impact PM has had on leadership, communication, accountability, and organizational culture. PM is synonymous with public-sector accountability and stands to either enhance the publics' cynicism of government actions or create improved product service for all communities. While anecdotal evidence suggests that many cities have increased their activities in recent years, very little systematic research exists about the leadership strategies of public

officials and how these strategies support PM systems. In addition, cities officials' professional competencies vary greatly, as does centralized decision-making, resource availability and allocation, and leadership strategies. Therefore, future empirical studies are needed to understand and theoretically relate to PM. Although PM is often viewed as an effort to make government more entrepreneurial and business-like, its implementation occurs in a context of bureaucratic politics that involves elected officials.

From a government perspective, PM is viewed as an "incentive" for public employers because it provides them with a standard of achievement in an era of responsibility, accountability, and competition. This study contributes empirical knowledge into both leadership strategies and the proficient use of performance measures in public sector organizations.

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APPENDIX A

Summary of GASB Study

The purpose of this analysis is to come up with appropriate "question statements" that will be asked in the study instrument. Three methodological steps were involved in this content analysis. According to (Babbie, 1999) the first step is to apply both a manifest and latent content analyses to summarize and code the findings. In the next step, a through reading of the cases is required and a careful selection of the key words and sentences. Examples concerning PM impact in the cases were carefully examined. Second, these words, sentences, and examples were analyzed and coded to categories of "Yes", "No", "Maybe", or "no discussion". "Yes" is designated when a case explicitly indicates that a jurisdiction experiences the impact. "No" is assigned when a case explicitly indicates that a jurisdiction does not experience the impact. "Maybe" is applied when a case indicates that a jurisdiction may experience the impact. For example, in the case study of City of Winston-Salem, some interviewees reported an increase use of citizens for performance information, while other interviewees made points that citizens were not interested in performance information. In State of Iowa, the case study shows that public interest in performance may increase partly as result of PM, but mainly as the result of efforts to solicit public inputs. Third, uniformed and standardized wordings were used to summarize these findings. The selection of words in question statements was based on the words in these cases if possible. The page numbers noted in the following quoted statements represent each cities individual study as published in the 2000 GASB study. The following table summarizes the results of this analysis.

Table 9: PM impacts: Finding summary

Impacts	Yes	Maybe	No	No discussion	Statement
Public interest (n=12)	0 (0%)	4 (33%)	7 (58%)	1 (8%)	Negative
Legislative communication	7 (58%)	1 (8%)	3 (25%)	1 (8%)	Positive
Goal specification	11 (92%)	1 (8%)	0 (0%)	0 (8%)	Positive
Problem identification	10 (83%)	2 (17%)	0 (0%)	0 (8%)	Positive
Inter-department coordination	2 (17%)	3 (25%)	4 (33%)	3 (25%)	Not clear
Re-staffing	4 (33%)	1 (8%)	0 (0%)	7 (58%)	Not clear
Re-structuring	1 (8%)	2 (17%)	0 (0%)	9 (75%)	Not clear
Resource allocation	4 (33%)	3 (25%)	5 (42%)	0 (0%)	Not clear

Public Interest in performance measures and governmental operations

(1) City of Portland, SEA report since 1988: "Interviewees indicated that external reporting has had a marginal effect on citizens and taxpayers, and it has done little to offset citizens apathy towards the nuts and bolts of government operations." (p. 20-21) (No)

(2) State of Iowa, since at least 1995: Public interest in performance may increase partly as result of PM, but mainly as the result of efforts to solicit public inputs (p.24). (Maybe)

(3) Prince William County, since 1992, PM is part of strategic planning process and is used to establish expectation, identify management problems, and demonstrate results, and provide legitimacy for budget cuts. Although strong evidence is showed for the county to get information out, there is no direct discussion that the public is becoming more interested in or more involved in PM and governmental operations. There is one occasion that shows that 23% of the citizens surveyed reported having visited the County's web site. (Maybe)

(4) Multnomah County, Oregon since 1993, part of a strategic plan, the driving force was the chair of county commission. "The public has not seen [performance measurement]" (p.3) [Performance measurement] was largely internal" (p.15). (No)

(5) City of Winston-Salem, North Carolina since 1975in MBO, the city administration seems to be the driving force; the city manager is in charge of PM with support of elected officials. The city did not have a strategic planning as of the report. "The public may also be oblivious to the [performance] reports themselves, since performance report information has not been widely shared of the government" (p.18). However, in another occasion, the report indicates an increase of citizen use of performance information. (Maybe)

(6) Tucson, Arizona since early 1980s, the driving force is by the city manager and this has been basically an administrative initiative. A city-wide strategic plan was recently implemented in 1998. "PM had very little impact on communicating with citizens and taxpayers...citizens and the press generally do not show much interest" (p.17). (No)

(7) City of Austin since 1992, when City Council adopted a resolution on PM as apart of the strategic planning process. The driving forces are a combination of the administration and the legislature. There is no clear evidence why this is happening. (No)

(8) State of Louisiana since 1992, part of a strategic plan. Legislative budget committee chair was the driving force with an intention to hold the administration "accountable for results" for its flexible budget appropriations. There have been efforts to involve citizens in the strategic planning, operational planning, program budgeting, and PM (p. 8 and 20), as such effort seems to increase the public interests. However, there is no evidence that

the public is more interesting in performance measures and government operations. (Maybe)

(9) Oregon Benchmark was initiated in 1989, which was a legislative effort with support of the governor. The effort involved citizens in developing societal, economic, environment, and development goals. Although the efforts were demonstrated to involve citizen in performance measurement, no evidence is shown that the public is interested (p. 18, 19, and 20). (No)

(10) Illinois, since 1997, governor-led, part of effort in a strategic planning initiative. No discussion.

(11) Arizona since 1993, governor-led, stimulated by the legislature who wants prompt performance results in limited term legislation. Performance results are bases as a part of the strategic planning process. "There has apparently been interest among the general public in reporting performance information" (p. 5). (No)

(12) Texas since 1991, governor-initiated, legislature-championed, part of a strategic planning process, distinctive administrative resistance. "It is realized because the PM is not designed to do this" (p. 2). (No)

Legislative communication, condition for budget allocation decisions

(13) City of Portland. "Council does not actively use PM information." They do not focus on day-to-day operations, but are very interested high level in the citizen survey results (p.20). (No)

(14) State of Iowa. "Some legislative committees use performance information in their deliberations, and others do not" (p.11). A chair in a legislative subcommittee on economic development requested performance information from administration. (Yes)

(15) Prince William County. [The legislature] is said to use the performance measures in considering budget proposals (p.16 and 12). (Yes)

(16) In Multnomah County there is evidence that the county board of commission has communicated performance expectation with departments (p.11). (Yes)

(17) In the City of Winston-Salem. No discussion.

(18) In Tucson, Arizona there is no specific discussion on this impact. There is however an indication that PM is a mainly administrative initiative and legislature was not involved in it (p.9). (No)

(19) City of Austin "Audit staff confirmed that council members have been paying attention to performance when considering budget decisions" (p.11). (Yes)

(20) State of Louisiana "The legislative use is obvious in Louisiana, as the driving force is legislature. The intention is to hold agencies accountable for their flexible budget formats with a program budgeting practice. It is discussed that legislature wants know information related to management and budgeting. Some administrators are concerned about the legislative intervention in micro-management" (p.9). (Yes)

(21) Oregon. "[Performance measurement] seems to have evolved into providing elected officials with information that will assist them in decision making and in understanding the role of various state programs in achieving the results deemed important by the

legislature and the governor, not in directly helping establishing funding levels" (p.12). (Maybe)

(22) Illinois "[It is no clear] whether legislators actually used PM data... [legislators] did not seem sure that performance measures even existed related to certain agencies" (p.7). (No)

(23) In Arizona "The PM communication between the executive and legislature has been extensive" (p.5). (Yes)

(24) In Texas it is obvious as the legislature is the driving force of PM (p.2). (Yes)

Goals/Performance expectations/strategies/personal responsibilities specification

(1) City of Portland "[Public employees] become more analytical, sophisticated with data and more cognizant of workload statistics" (p.20). (Yes)

(2) State of Iowa "Corrections staff described the painful, but valuable, process of developing an internal [communication] process" (p.24). (Yes)

Prince Williams County, no direct discussion is shown. However, from the discussion concerning the way PM is involved in the strategic planning process, it is clear that departments communicate frequently with performance expectations, results, and their budget implications. (Yes)

APPENDIX B

PILOT
PERFORMANCE MEASUREMENT IMPACT STUDY

We invite you to participate in a national study about the impact of performance measurement. This study is built on a previous study conducted by the Governmental Accounting Standard Board (GASB). The GASB study was conducted in 12 U.S. local and state governments. In-depth interviews, field observations, document examinations were used. Some findings are rather interesting and insightful to public management.

In this study, we present you with the findings and solicit your or your designee's comments on these findings in the light of performance measurement experiences in your city. Performance measurement is an important tool that can affect both accountability and citizen trust. This study represents a unique effort to assess this effect. Your comments are very important for us to understand the impact of performance measurement in government. I would be glad to make a final report of this study available to you.

Your name and your city name will NOT appear in any report of this study. Only aggregate results will be reported. Your participation in this study is greatly appreciated.

James J. Kubala, Ph.D. Researcher
Philosophy of Organization and Management
Capella University
Telephone: (407)823-2604
Fax: (407)823-5651

I. Comments on the GASB study

Instruction: In this section, we list eight (8) key findings we have summarized from the GASB study. Please comment on them in the light of the performance measurement experiences of your city. In your comments, (1) please indicate whether or not a finding applies to your city, and (2) please provide one or more examples to illustrate your city's experience.

Finding # 1: There is evidence that legislators have used performance measurement information to communicate with managers in legislative hearings, budgetary processes, strategic planning processes, and other settings. (Does this finding apply to your city? Please provide one or more examples to illustrate your city's experience.)

Comments:

* Performance measurement is defined as the use of quantitative performance indicators to report, monitor, and evaluate an organization's activities, efforts, and impacts. Performance measurement is often used to assess the achievement of an organization's stated goals and objectives.

Finding # 2: It is NOT clear that legislators have used performance measurement to determine funding priorities and funding levels. It is NOT clear that departments or programs have used performance measurement to SUCCESSFULLY increase their budgets or defend their spending. (Have the legislators in your city used performance measurement to determine funding? Please provide one or more examples to illustrate your city's experiences.)

Comments:

Finding # 3: Citizens DO NOT show much interest in performance measurement. They do not show much interest in performance reports or budgets that include performance information. It is not clear how extensively the public is using performance information. (Does this finding apply to your city? Could you provide one or more examples to illustrate your city's experiences?)

Comments:

Finding # 4: Performance measurement has enabled public managers to BETTER identify managerial goals and expectations, management strategies, and personal responsibilities. Performance goals and expectations have become part of management language. (Does this finding apply to your city? Please provide one or more examples to illustrate your city's experiences.)

Comments:

Finding # 5: Performance measurement has enabled public managers to BETTER identify managerial and operational problems. Performance measurement also has enabled public managers to BETTER develop solutions to these problems. (Does this finding apply to your city? Please provide one or more examples to illustrate your city's experiences.)

Comments:

Finding # 6: It is NOT clear that performance measurement has led to adjustments of service delivery or decision-making structures. These adjustments include (but not limited to) delegation of decision-making power to lower level decision-making units, elimination or addition of a decision-making layer, elimination or addition of a service, merger or reorganization of services. (Has your city used performance information to adjust service delivery or decision-making structures? Please provide one or more examples to illustrate your city's experiences.)

Comments:

Finding # 7: It is NOT clear that performance measurement information has been used to decide on re-staffing such as changing job assignments and responsibilities, terminating a job assignment, or hiring new employees. (Has your city used performance measurement to decide on re-staffing? Please provide one or more examples to illustrate your city's experiences.)

Comments:

Finding # 8: It is NOT clear that performance measurement has enabled governments to develop city-wide goals, strategies, and action plans for different services. It is NOT clear that performance measurement has facilitated interdepartmental teamwork through across-departmental and community-wide performance measures. (Has your city used performance measurement for the development of city-wide goals, strategies, action plans, and interdepartmental teamwork? Please provide one or more examples to illustrate your city's experiences.)

Comments:

II. Performance Measurement Practices

Instruction: To identify effective practices in performance measurement, we would like to know how performance measurement is implemented in your city. In the following section, we present statements concerning performance measurement implementatio

Question 1: Please evaluate the following statements concerning the driving forces of performance measurement in your city (check all that apply to your city).

[ ] The Legislature is a driving force in performance measurement
[ ] The City Manager's Office is a driving force in performance measurement
[ ] The financial (budget) director is a driving force in performance measurement
[ ] Individual departments are a driving force in performance measurement
[ ] Higher-level governments are a driving force in performance measurement

Question 2: Please evaluate the following statements concerning the support for performance measurement in your city (check all that apply).

[ ] The City Manager's Office supports the use of performance measurement
[ ] Most department heads support the use of performance measurement
[ ] Most managers support the use of performance measurement
[ ] Most supervisors support the use of performance measurement
[ ] Most legislators support the use of performance measurement
[ ] Most legislators participate in performance measurement
[ ] Legislators allocate funding for performance measurement
[ ] Most employees support the use of performance measurement
[ ] Citizen advisory boards support the use of performance measurement
[ ] Citizen advocates support the use of performance measurement

Question 3: Please evaluate the following statements concerning implementation strategies of performance measurement in your city (check all that apply).

In our jurisdiction,
[ ] we have a city-wide strategic plan
[ ] performance measurement is part of the strategic planning process
[ ] performance measures are used to evaluate strategic goals in the city
[ ] individual departments are asked to align performance measures with city-wide goals
[ ] individual departments are required to work together to achieve city-wide goals
[ ] our performances are compared with performance benchmarks of other governments
[ ] our current performances are compared with performances of previous years
[ ] individuals' performance appraisals and rewards are based on performance measures
[ ] we have used pilot projects to assess implementation problems
[ ] we have used consultants in performance measurement
[ ] we have training programs on performance measurement

Question 4: Please evaluate the following statements concerning technical capacities in your city. (Check all that apply)

Most departments in our city have

[ ] a cost-based accounting system
[ ] an activity-based cost system
[ ] staff cable of analyzing performance data
[ ] management information systems to collect performance data
[ ] sufficient funding for data collection
[ ] budgets for performance measurement

Question 5: Please evaluate the following statements concerning long-term impacts of performance measurement in your city. (Check all that apply)

In my city, the use of performance measurement has resulted in

[ ] elimination of services that are no longer needed
[ ] reduction of service costs
[ ] timeliness of management decisions
[ ] improvement of citizens or customers satisfaction
[ ] improvement of decision-making capacities
[ ] improvement of accountability of program performance
[ ] improvement of service quality

Question 6: Please evaluate the following statements concerning leadership strategies in performance measurement in your city. (Check all that apply)

Our administration has...

[ ] involved most managers in performance measurement
[ ] involved most employees in performance measurement
[ ] tried to eliminate managers' fears about performance measurement
[ ] tried to eliminate employees' fears about performance measurement
[ ] developed managers' ability to understand performance measurement
[ ] developed managers' ability to design performance measures
[ ] developed managers' ability to implement performance measurement
[ ] focused on performance information gathering capabilities
[ ] focused on performance data analysis capacities
[ ] focused on the information technology that facilitates performance measurement
[ ] focused on budgets for performance measurement
[ ] focused on the solicitation of legislative support for performance measurement
[ ] focused on the solicitation of citizen support for performance measurement
[ ] focused on the solicitation of supports from the business community

Question 7: What are the primary reasons for your city to use performance measurement? (Check all that apply)

[ ] To make administration's performances accountable to elected officials and the public
[ ] To monitor administration's performances for efficiency and effectiveness
[ ] To allocate budgetary resources
[ ] To enhance the strategic planning process
[ ] To evaluate performances of individual managers and employees
[ ] To comply with mandates or laws
[ ] Others. Please specify: _____

Question 8: How long has your jurisdiction used performance measurement? (Check only one please)

[ ] No, we do not use it
[ ] Less than 12 months
[ ] 1 – 3 years
[ ] 4 – 10 years
[ ] 11– 20 years
[ ] More than 20 years

Question 9: What types of performance measures does your jurisdiction use? (check all that apply)

[ ] Workloads or output measures that evaluate organizational efforts and activities
[ ] Outcome measures that examine the results or impacts of organizational efforts and activities
[ ] Citizen or client satisfaction measures
[ ] Service quality measures
[ ] Others. Please specify: _____

Question 10: To what extent do your agencies use performance measures? (check one)

[ ] less than 25 % of our agencies use performance measurement
[ ] about 25 % to 50 % of our agencies use performance measurement
[ ] about 50 % to 75 % of our agencies use performance measurement
[ ] More than 75 % of our agencies use performance measurement

Question 11: Which agency in your city is primarily responsible for implementing performance measurement? (check all that apply)

[ ] The City Manager Office
[ ] The Office of Management and Budget
[ ] The Finance Department
[ ] Each individual department
[ ] All of the above offices are equally responsible
[ ] Others. Please specify: _____

Question 12: What is your current position? (check one)

[ ] City manager, or Chief Executive Officer, or Chief Administrative Officer
[ ] Finance/Budget Director
[ ] Others. Please specify:

Question 13: How familiar are you to performance measurement in your city? (check one)

APPENDIX C
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Comments:

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[ ] The City Manager's Office supports the use of performance measurement
[ ] Most department heads support the use of performance measurement
[ ] Most managers support the use of performance measurement
[ ] Most supervisors support the use of performance measurement
[ ] Most legislators support the use of performance measurement
[ ] Most legislators participate in performance measurement
[ ] Legislators allocate funding for performance measurement
[ ] Most employees support the use of performance measurement
[ ] Citizen advisory boards support the use of performance measurement
[ ] Citizen advocates support the use of performance measurement

Question 3: Please evaluate the following statements concerning implementation strategies of performance measurement in your city (check all that apply).

In our jurisdiction,
[ ] we have a city-wide strategic plan
[ ] performance measurement is part of the strategic planning process
[ ] performance measures are used to evaluate strategic goals in the city
[ ] individual departments are asked to align performance measures with city-wide goals
[ ] individual departments are required to work together to achieve city-wide goals
[ ] our performances are compared with performance benchmarks of other cities
[ ] our current performances are compared with performances of previous years
[ ] individuals' performance appraisals and rewards are based on performance measures
[ ] we have used pilot projects to assess implementation problems
[ ] we have used consultants in performance measurement
[ ] we have training programs on performance measurement

Question 4: Please evaluate the following statements concerning technical capacities in your city. (Check all that apply)

Most departments in our city have

[ ] a cost-based accounting system
[ ] an activity-based cost system
[ ] staff cable of analyzing performance data
[ ] management information systems to collect performance data
[ ] sufficient funding for data collection
[ ] budgets for performance measurement

Question 5: Please evaluate the following statements concerning long-term impacts of performance measurement in your city. (Check all that apply)

In my city, the use of performance measurement has resulted in

[ ] elimination of services that are no longer needed
[ ] reduction of service costs
[ ] timeliness of management decisions
[ ] improvement of citizens or customers satisfaction
[ ] improvement of decision-making capacities
[ ] improvement of accountability of program performance
[ ] improvement of service quality

Question 6: Please evaluate the following statements concerning leadership strategies in performance measurement in your city. (Check all that apply)

Our administration has...

[ ] involved most managers in performance measurement
[ ] involved most employees in performance measurement
[ ] tried to eliminate managers' fears about performance measurement
[ ] tried to eliminate employees' fears about performance measurement
[ ] developed managers' ability to understand performance measurement
[ ] developed managers' ability to design performance measures
[ ] developed managers' ability to implement performance measurement
[ ] focused on performance information gathering capabilities
[ ] focused on performance data analysis capacities
[ ] focused on the information technology that facilitates performance measurement
[ ] focused on budgets for performance measurement
[ ] focused on the solicitation of legislative support for performance measurement
[ ] focused on the solicitation of citizen support for performance measurement
[ ] focused on the solicitation of supports from the business community

Question 7: What are the primary reasons for your city to use performance measurement? (Check all that apply)

[ ] To make administration's performances accountable to elected officials and the public
[ ] To monitor administration's performances for efficiency and effectiveness
[ ] To allocate budgetary resources
[ ] To enhance the strategic planning process
[ ] To evaluate performances of individual managers and employees
[ ] To comply with mandates or laws
[ ] Others. Please specify: _____

Question 8: How long has your jurisdiction used performance measurement? (Check only one please)

[ ] No, we do not use it
[ ] Less than 12 months
[ ] 1 – 3 years
[ ] 4 – 10 years
[ ] 11– 20 years
[ ] More than 20 years

Question 9: What types of performance measures does your jurisdiction use? (check all that apply)

[ ] Workloads or output measures that evaluate organizational efforts and activities
[ ] Outcome measures that examine the results or impacts of organizational efforts and activities
[ ] Citizen or client satisfaction measures
[ ] Service quality measures
[ ] Others. Please specify: _____

Question 10: To what extent do your agencies use performance measures? (check one)

[ ] less than 25 % of our agencies use performance measurement
[ ] about 25 % to 50 % of our agencies use performance measurement
[ ] about 50 % to 75 % of our agencies use performance measurement
[ ] More than 75 % of our agencies use performance measurement

Question 11: Which agency in your city is primarily responsible for implementing performance measurement? (check all that apply)

[ ] The City Manager Office
[ ] The Office of Management and Budget
[ ] The Finance Department
[ ] Each individual department
[ ] All of the above offices are equally responsible
[ ] Others. Please specify: _____

Question 12: What is your current position? (check one)

[ ] City manager, or Chief Executive Officer, or Chief Administrative Officer
[ ] Finance/Budget Director
[ ] Others. Please specify: _____

Question 13: How familiar are you to performance measurement in your city? (check one)

[ ] Very familiar
[ ] Familiar
[ ] somewhat familiar
[ ] not familiar

Question 14: What is your city's form of government? (check one)

[ ] Council-manager form
[ ] Mayor-council form
[ ] Commission form
[ ] Township meeting form
[ ] Others. Please specify: _____

Question 15: What is your city's metropolitan status? (check one)

[ ] Central (city lies within a metropolitan area and includes the central city)
[ ] Suburban (city lies within a metropolitan area and does not include a central city)
[ ] Rural (city does not lie within a metropolitan area)
[ ] Don't know

Question 16: What is the population served by your city?

_____

Question 17: How many full-time employees does your city have?

_____

Question 18: Approximately, what is the average household income in your city?

_____

Please comment on any other impacts of performance measurement in your city.

_____

_____

_____

_____

_____

_____

Please return your comments in the self-addressed envelope.

Thank you very much

APPENDIX D

Descriptive Findings

Finding # 1: There is evidence that legislators have used performance measurement information to communicate with managers in legislative hearings, budgetary processes, strategic planning processes, and other settings. (Does this finding apply to your city? Please provide one or more examples to illustrate your city's experience.)

No	Yes	Inadequate Response	
47%	44	9	N=100

Finding # 2: It is NOT clear that legislators have used performance measurement to determine funding priorities and funding levels. It is NOT clear that departments or programs have used performance measurement to SUCCESSFULLY increase their budgets or defend their spending. (Have the legislators in your city used performance measurement to determine funding? Please provide one or more examples to illustrate your city's experiences.)

No	Yes	Inadequate Response	
55.6%	33.3	11.1	N=99

Finding # 3: Citizens DO NOT show much interest in performance measurement. They do not show much interest in performance reports or budgets that include performance information. It is not clear how extensively the public is using performance information. (Does this finding apply to your city? Could you provide one or more examples to illustrate your city's experiences?)

No	Yes	Inadequate Response	
58.2%	25.5	16.3	N=98

Finding # 4: Performance measurement has enabled public managers to BETTER identify managerial goals and expectations, management strategies, and personal responsibilities. Performance goals and expectations have become part of management language. (Does this finding apply to your city? Please provide one or more examples to illustrate your city's experiences.)

No	Yes	Inadequate Response	
26.7%	58.4	14.9	N=100

Finding # 5: Performance measurement has enabled public managers to BETTER identify managerial and operational problems. Performance measurement also has enabled public managers to BETTER develop solutions to these problems. (Does this finding apply to your city? Please provide one or more examples to illustrate your city's experiences.)

No	Yes	Inadequate Response	
35%	57	8	N=100

Finding # 6: It is NOT clear that performance measurement has led to adjustments of service delivery or decision-making structures. These adjustments include (but not limited to) delegation of decision-making power to lower level decision-making units, elimination or addition of a decision-making layer, elimination or addition of a service, merger or reorganization of services. (Has your city used performance information to adjust service delivery or decision-making structures? Please provide one or more examples to illustrate your city's experiences.)

No	Yes	Inadequate Response	
54.5%	34.7	10.9	N=101

Finding # 7: It is NOT clear that performance measurement information has been used to decide on re-staffing such as changing job assignments and responsibilities, terminating a job assignment, or hiring new employees. (Has your city used performance measurement to decide on re-staffing? Please provide one or more examples to illustrate your city's experiences.)

No	Yes	Inadequate Response	
53%	36	11	N=100

Finding # 8: It is NOT clear that performance measurement has enabled governments to develop city-wide goals, strategies, and action plans for different services. It is NOT clear that performance measurement has facilitated interdepartmental teamwork through across-departmental and community-wide performance measures. (Has your city used performance measurement for the development of city-wide goals, strategies, action plans, and interdepartmental teamwork? Please provide one or more examples to illustrate your city's experiences.)

No	Yes	Inadequate Response	
57.7%	26.8	15.5	N=97

Question 1: Please evaluate the following statements concerning the driving forces of performance measurement in your city (check all that apply to your city).

	No or Don't Know	Yes
The Legislature is a driving force in performance measurement	87%	13%
The City Manager's Office is a driving force in performance measurement	27	73
The financial (budget) director is a driving force in performance measurement	40	60
Individual departments are a driving force in performance measurement	68	32
Higher-level governments are a driving force in performance measurement	96	4
Others. Please identify: _____	N=100	

Question 2: Please evaluate the following statements concerning the support for performance measurement in your city (check all that apply).

	No or Don't Know	Yes
The City Manager's Office supports the use of performance measurement	9%	90%
Most department heads support the use of performance measurement	33	67
Most managers support the use of performance measurement	58	42
Most supervisors support the use of performance measurement	76	24
Most legislators support the use of performance measurement	47	53
Most legislators participate in performance measurement	97	3
Legislators allocate funding for performance measurement	90	10
Most employees support the use of performance measurement	78	13
Citizen advisory boards support the use of performance measurement	78	22
Citizen advocates support the use of performance measurement	76	24
	N=100	

Question 3: Please evaluate the following statements concerning implementation strategies of performance measurement in your city (check all that apply).

In our jurisdiction,	No or Don't Know	Yes
we have a city-wide strategic plan	55%	45%
performance measurement is part of the strategic planning process	59	41
performance measures are used to evaluate strategic goals in the city	67	33
individual departments are asked to align their PM with city-wide goals	39	61
individual departments are required to work together to achieve city-wide goals	45	55
our performances are compared with performance benchmarks of other cities	52	48
our current performances are compared with performances of previous years	23	77
individuals' performance appraisals and rewards are based on PM	79	21
we have used pilot projects to assess implementation problems	78	22
we have used consultants in performance measurement	58	42
we have training programs on performance measurement	62	38
	N=100	

Question 4: Please evaluate the following statements concerning technical capacities in your city. (Check all that apply)

Most departments in our city have		No or Don't Know	Yes
a cost-based accounting system		65%	35%
an activity-based cost system		71	29
staff cable of analyzing performance data		45	55
management information systems to collect performance data		59	41
sufficient funding for data collection		85	15
budgets for performance measurement	N=100	75	25

Question 5: Please evaluate the following statements concerning long-term impacts of performance measurement in your city. (Check all that apply)

In my city, the use of performance measurement has resulted in		No or Don't Know	Yes
elimination of services that are no longer needed		86%	14%
reduction of service costs		73	27
timeliness of management decisions		77	23
improvement of citizens or customers satisfaction		60	40
improvement of decision-making capacities		52	48
improvement of accountability of program performance		48	52
improvement of service quality	N=100	51	49

Question 6: Please evaluate the following statements concerning leadership strategies in performance measurement in your city. (Check all that apply)

	No or Don't Know	Yes
Our administration has...		
involved most managers in performance measurement	20%	80%
involved most employees in performance measurement	90	10
tried to eliminate managers' fears about performance measurement	43	57
tried to eliminate employees' fears about performance measurement	78	22
developed managers' ability to understand performance measurement	48	52
developed managers' ability to design performance measures	63	37
developed managers' ability to implement performance measurement	66	34
focused on performance information gathering capabilities	67	33
focused on performance data analysis capacities	77	23
focused on the information technology that facilitates performance measurement	83	17
focused on budgets for performance measurement	70	30
focused on the solicitation of legislative support for performance measurement	85	15
focused on the solicitation of citizen support for performance measurement	86	14
focused on the solicitation of supports from the business community	96	4.0
N=100		

Question 7: What are the primary reasons for your city to use performance measurement? (Check all that apply)

	No or Don't Know	Yes
To make administration's performances accountable to elected officials and the public	42%	58%
To monitor administration's performances for efficiency and effectiveness	27	73
To allocate budgetary resources	50	50
To enhance the strategic planning process	53	47
To evaluate performances of individual managers and employees	71	29
To comply with mandates or laws	91	8
Others. Please specify: _____	84	11

N=100

Question 8: How long has your jurisdiction used performance measurement? (Check only one please)

Less than 12 months	11.5%
1 – 3 years	32.2
4 – 10 years	37.9
11– 20 years	9.2
More than 20 years	9.2

N=87

Question 9: What types of performance measures does your jurisdiction use? (check all that apply)

	No or Don't Know	Yes
Workloads or output measures that evaluate organizational efforts and activities	12%	88%
Outcome measures that examine the results or impacts of organizational efforts/activities	38	62
Citizen or client satisfaction measures	40	60
Service quality measures	47	53
Others. Please specify: _____	94	5

N=100

Question 10: To what extent do your agencies use performance measures? (check one)

less than 25 % of our agencies use performance measurement	22.2%
about 25 % to 50 % of our agencies use performance measurement	14.4
about 50 % to 75 % of our agencies use performance measurement	12.2
More than 75 % of our agencies use performance measurement	51.1

N=90

Question 11: Which agency in your city is primarily responsible for implementing performance measurement? (check all that apply)

	No or Don't Know	Yes
The City Manager Office	55%	45%
The Office of Management and Budget	55	45
The Finance Department	80	20
Each individual department	63	37
All of the above offices are equally responsible	92	8
Others. Please specify: _____	90	10

N=100

Question 12: What is your current position? (check one)

City manager, or Chief Executive Officer, or Chief Administrative Officer	38%
Finance/Budget Director	29
Management Budget Analyst	20
Others. Please specify: _____	12

N=99

Question 13: How familiar are you to performance measurement in your city? (check one)

Very familiar	68.9%	
Familiar	22.2	
somewhat familiar	8.9	
not familiar	0.0	N=90

Question 14: What is your city's form of government? (check one)

Council-manager form	71%	
Mayor-council form	23	
Commission form	3	
Township meeting form	0	
Others. Please specify:	3	N=100

Question 15: What is your city's metropolitan status? (check one)

Central (city lies within a metropolitan area and includes the central city)		55%
Suburban (city lies within a metropolitan area and does not include a central city)		37
Rural (city does not lie within a metropolitan area)		5
Don't know	N=96	0.0

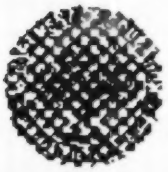
Question 16: What is the population served by your city?		Min.	Max.	Mean
	N=97	11,000	730,000	369,008

Question 17: How many full-time employees does your city have?		Min.	Max.	Mean
	N=96	120	40,000	3,687

Question 18: Approximately, what is the average household income in your city?		Min.	Max.	Mean
	N=75	21,891	95,300	44,343

Please comment on any other impacts of performance measurement in your city.

No	Yes	
77.2	21.8	N=100



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